



Daily Report

China

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CONTENTS

8 May 1995

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INTERNATIONAL AFFAIRS

General

Official Terms WTO Talks 'Very Difficult' [XINHUA]	1
Group Leaves for WTO Talks in Geneva 7 May [XINHUA]	1
Trade Minister Wu Yi Solicits GATT Support [XINHUA]	2
Wu Yi Discusses Continuing 'Opening-Up Policy' [XINHUA]	2
XINHUA Reports on U.S.-DPRK Talks	3
U.S. on Talks Resumption	3
DPRK Warns U.S.	3
Clinton Urges Russia To Stop Sale To Iran [XINHUA]	3
U.S. 'Pleased' at Turkish Forces Leaving Iraq [XINHUA]	4
XINHUA Reports on U.S.-Japanese Auto Talks	4
'Roundup' Views Talks	4
Kantor Cited on 'Breakdown'	5
International Military Sports Congress Opens [XINHUA]	5
Jiang Zemin Speaks [XINHUA]	6
XINHUA 'Roundup' on UN Crime Summit	6
Article on Possible Clashes Over Spratlys [Hong Kong KUANG CHIAO CHING 16 Apr]	8

United States & Canada

WEN WEI PO Views U.S. Consul General's Speech [Hong Kong 8 May]	11
---	----

Central Eurasia

Jiang Zemin Leaves Beijing 7 May for Moscow [XINHUA]	12
Arrives in Moscow [XINHUA]	12
Jiang Zemin Meets Yeltsin [XINHUA]	13

Northeast Asia

Japan's Murayama Continues Visit to China	13
Arrives in Shanghai From Xian [XINHUA]	13
Views U.S. Trade Talks 'Failure' [Tokyo KYODO]	13
Seeks Better Investment Environment [XINHUA]	14
Leaves Shanghai for Home 6 May [XINHUA]	14
Arrives in Tokyo [XINHUA]	14
ROK Corporation To Expand Investment in China [XINHUA]	14

Southeast Asia & Pacific

Lao Parliament President Saman Arrives in Kunming [XINHUA]	15
CPPCC Vice Chairman Meets Thai Visitors [XINHUA]	15
CPPCC Vice Chairman Meets Thai Governors [XINHUA]	15
Vietnamese Edition of Deng's Works Published in Hanoi [XINHUA]	15
CPC Delegation Meets Vietnam Party Officials [XINHUA]	16

Near East & South Asia

Vice Premier Li Lanqing Meets Egyptian Newsmen [XINHUA]	16
New Delhi Report Cited on Ties, Border Situation [XINHUA]	16
Pakistan Air Chief Returns Home After Visit [XINHUA]	16

Sub-Saharan Africa

Beijing Donates Sports Equipment to Africa Games [XINHUA]	17
CPPCC Vice Chairperson Meets Cameroon Minister [XINHUA]	17
Wang Guangying Meets Cameroonians [XINHUA]	17

West Europe

Jiang Zemin, Li Peng Congratulate France's Chirac [XINHUA]	17
--	----

CPPCC Leader Wu Xueqian Meets German Visitors [XINHUA]	17
Long March Rocket To Carry German Satellite in '97 [XINHUA]	18
Wu Yi Meets Swiss Economics Minister [XINHUA]	18
East Europe	
Leaders Meet Visiting Polish Officials	18
Governor Meets Vice Prime Minister [Haikou Radio]	18
Wan Guoquan Meets Polish Senate Speaker [XINHUA]	18
Li Ruihuan Meets Senate Speaker [XINHUA]	19
Qiao Shi Meets Senate Speaker [XINHUA]	19
NATIONAL AFFAIRS	
Political & Social	
Continuing Reportage on NPC Committee Session	20
Session Hears Draft Laws [XINHUA]	20
Legislators To Review Bank Law [XINHUA]	20
Posters Demand Details of Wang Baosen Case [Hong Kong LIEN HO PAO 6 May]	20
Deng's Wife Attempts Suicide Over Questioning [Tokyo TOKYO SHIMBUN 5 May]	21
Jiang, Others Greet Zhu Jizhan's Birthday [XINHUA]	21
Vice Premier Li on Educational Development [HEBEI RIBAO 16 Mar]	22
Li Lanqing Calls For Reform in Higher Education [XINHUA]	22
Li Ruihuan, Leaders Attend 'Championships' [XINHUA]	23
Ren Jianxin Greets Founding of Association [XINHUA]	24
Rong Yiren Inspects Jiangsu Province [XINHUA]	24
Yuan Mu Retires; Replaced by Wang Mengkui [Hong Kong LIEN HO PAO 6 May]	24
Jiang, Li Write Inscriptions for Kong Fansen [XINHUA]	25
Beijing Symposium Commemorates War Victory [XINHUA]	25
'Marked Progress' Seen in Patent Law's Use [XINHUA]	26
Circular Issued on Management of Cadre Training [XINHUA]	26
Nation To Draw Up Five-Year Plan for Disabled [XINHUA]	27
Article Views Learning From Kong Fansen [XINHUA]	28
Department Tells Media 'Not To Make Trouble' [Hong Kong MING PAO 8 May]	29
China To Double Legal Service Practitioners [XINHUA]	30
Stricter Rules Issued for Drug Advertisements [XINHUA]	30
*NPC, Local Government Organization Law	31
Family Unable To Visit Dissident Wei Jingsheng [Hong Kong SOUTH CHINA MORNING POST 6 May]	42
Media Cover Current 'Unrest' Issues	42
Unrest in Liaoning, Sichuan [Hong Kong LIEN HO PAO 8 May]	42
Circular Reportedly Issued [Hong Kong EASTERN EXPRESS 8 May]	43
Journal Defends Human Rights Record	44
Part One [SHIJIE ZHISHI 1 Mar]	44
Part Two [SHIJIE ZHISHI 16 Mar]	45
Military & Public Security	
Luo Gan Views Enterprise Security System Reform [XINHUA]	48
Jiang Puts Armed Police Under Political Bureau [Hong Kong MING PAO 6 May]	49
ECONOMIC AFFAIRS	
General	
State To Allocate Funds To Help Firms Achieve Potential [CHINA DAILY (BUSINESS WEEKLY) 7-13 May]	50
Government Confident About Controlling Prices [LIAOWANG 27 Mar]	50
Ruan Chongwu Briefs Official on Enterprise Reform [Haikou Radio]	52
Vice Minister Emphasizes New Mentality [XINHUA]	52
Law Details on Protecting Financial Order Reported [CHINA DAILY 5 May]	52
Examination Rules for Advertisements Announced [XINHUA]	53
Detailed Standards To Ensure Accuracy in Medical Ads [CHINA DAILY 6 May]	53
Nation Strives To Develop Communications [XINHUA]	54
Automobile Production Maintains 'Steady Development' [XINHUA]	54
Nuclear Power Plant Reportedly Given 'Green Light' [ZHONGGUO XINWEN SHE]	55

Implementation of 3 'Golden' Projects Accelerated [ZHONGGUO XINWEN SHE]	55
Economic Cooperation in Huang He Valley 'Successful' [XINHUA]	55
Freeing of Livestock Prices Gives Boost to Economy [XINHUA]	56
Telecommunications Industry Foresees Large Growth [CHINA DAILY (BUSINESS WEEKLY) 7-13 May]	56
Researcher on Need for Greater Enterprise Efficiency [CHINA DAILY 5 May]	56
Economists Discuss State Property Rights [JINGJI RIBAO 21 Mar]	57
Electronics Industry To Focus on Information Sector [XINHUA]	60
'Roundup' Views Acceleration of Enterprise Reform [XINHUA]	60
XINHUA 'Roundup' Views Enterprise Reform	61
Editorial on Importance of Accurate Statistics [RENMIN RIBAO 22 Apr]	63

Finance & Banking

Wu Bangguo Discusses State Development Corporation [XINHUA]	64
Bank Issues More Loans for Chain Stores [XINHUA]	64
Pudong Develops Financial Sector [XINHUA]	65
New Bill To Protect Interests of Banks, Depositors [CHINA DAILY 6 May]	65
38 Million Shareholders Now in China [ZHONGGUO XINWEN SHE]	66
Economist Attacks Sluggish Pace of Banking Reform [Hong Kong HONGKONG STANDARD 6 May]	66

Foreign Trade & Investment

Spokesman Opposes U.S. Cut of Textile Export Quota [XINHUA]	66
Warns of 'Further Reaction' [Beijing TV]	67
U.S. Urged Not To Reduce Quota [CHINA DAILY 6 May]	67
'All-Around, Stable, Rapid' Growth in ROK Trade [XINHUA]	68
Trade Relations With ROK Enter New Stage [XINHUA]	69
NPC Vice Chairman Li Peiyao Meets British Visitors [XINHUA]	69
AT&T To Expand Investment in China [XINHUA]	70
Import-Export Commodities Inspection List Revised [XINHUA]	70
Rolled Steel Production, Imports Down in 1st Quarter [CHINA DAILY 5 May]	70
Mainland, Hong Kong To Cooperate on Futures Markets [XINHUA]	71
Swiss Company Sets Up Joint Venture in Tianjin [XINHUA]	71
Pudong Becomes 'Mecca' For International Blue Chips [XINHUA]	72
Japanese Investment in Shanghai Reaches New High [XINHUA]	72
Australian Insurance Company Opens Shanghai Office [XINHUA]	73
Guangxi Sea Ports Provide Trade Gateways [XINHUA]	73
China To Export Eight Container Ships to Germany [XINHUA]	73

Agriculture

Tian Jiyun Inspects Sichuan Agriculture [SICHUAN RIBAO 8 Apr]	74
Trade Official Predicts Grain Exports To Decline [CHINA DAILY (BUSINESS WEEKLY) 7-13 May]	75
State Statistical Bureau on Grain Production [RENMIN RIBAO 2 Apr]	75
Agricultural Investment Said 'Inadequate' [Hong Kong HONGKONG STANDARD 8 May]	78
Foreign Businessmen Urged To Exploit Agriculture [ZHONGGUO XINWEN SHE]	79
Survey: Beijing Benefits From Agricultural Growth [XINHUA]	79
*Guangdong Increases Spring Grain Area [NONGMIN RIBAO 29 Apr]	79

REGIONAL AFFAIRS

East Region

Fujian Takes Steps To Curb Price Hikes [XINHUA]	80
Shandong Secretary on Township Enterprises [Jinan Radio]	80
Shanghai To Further Boost Posts, Communications [XINHUA]	80
Shanghai Mayor Stresses Political, Legal Work [JIEFANG RIBAO 23 Apr]	81
Shanghai To Streamline Municipal Organizations [XINHUA]	81
Shanghai Textile Industry Moves to Suburbs [ZHONGGUO XINWEN SHE]	82

Central-South Region

Shenzhen Says Fetus Sale Report 'Distortion' [ZHONGGUO TONGXUN SHE]	82
Guangzhou Real Estate Structure Improves [XINHUA]	82
Guangxi's Beihai City Reshuffles Leaders [ZHONGGUO XINWEN SHE]	83
Hunan Province Establishes Labor Export System [XINHUA]	83

Southwest Region

Sichuan Develops Social Security Coverage [XINHUA]	83
6th Tibet CPPCC Committee Holds 8th Meeting [Lhasa TV]	83
Construction of 62 Projects in Tibet 'Stepped Up' [XINHUA]	84
Construction on Tibet's Water Projects Continues [XINHUA]	84
Yang Chuantang Views Tibet's Development [XIZANG RIBAO 21 Apr]	84
Article on Importance of Stability in Tibet [XIZANG RIBAO 24 Apr]	86

North Region

Beijing To Implement Worker Reemployment Project [BEIJING RIBAO 23 Mar]	88
New Policy Enlivens Shanxi's Coal Industry [XINHUA]	89

TAIWAN

Taiwan Not Commenting on Li's U.S. Visit Plan [CNA]	91
Taiwan Seeks Ties With Washington, Other Cities [CNA]	91
Taiwan on Date Proposed by U.S for Economic Talks [CNA]	91
Chiang Sees 'Good Progress' Toward WTO Entry [CNA]	92
Chiang To Lead Delegation To Italy, Germany [CNA]	92
Taiwan 'Working Hard' To Attend Summit [CNA]	92
Transport Minister Departs for U.S. Visit [CNA]	93
Shippers Apply for Cross-Strait Permits [CNA]	93
Taiwan Sends 200 Mainland Immigrants Home [CNA]	94
SEF, MAC Favor July for 2d Round of Talks [CNA]	94
Officials Comment on Cross-Strait Press Exchange [Taipei TZU-LI WAN-PAO 1 May]	95
Taipei To Host APEC Agricultural Meeting [CNA]	95
Governor Reaffirms Policy on Exchange Rate [CNA]	96
Bank Chief Says Policies To Remain 'Unchanged' [CNA]	96
Ministry Notes Jan-Apr Export, Import Figures [CNA]	97
Average Monthly Salary Figures for 1994 Issued [CNA]	97
First Quarter Records Heavy Industrial Output [CNA]	98
State Steel Firm Expands 6 Months Early [CNA]	98
5-Year Upgrade to Software Industry Launched [CNA]	98
Biotechnology To Play 'Major Role' in Development [CNA]	99
Council Predicts Semiconductor Industry Boom [CNA]	99
Firms To Bid on Military Aircraft Maintenance [CNA]	100
New Measures Considered in Anti-Drug Campaign [CNA]	100

HONG KONG & MACAO

Hong Kong

Media Cover Lu Ping, Court of Final Appeal	102
'Supreme Ruler' Termed 'Absurd' [ZHONGGUO XINWEN SHE]	102
Views Meetings, Court [Hong Kong SOUTH CHINA MORNING POST 6 May]	102
Army Generals Inspect Military Sites [Hong Kong SOUTH CHINA SUNDAY MORNING POST 7 May]	102
Authorities Investigate Firms for Corruption [Hong Kong SOUTH CHINA SUNDAY MORNING POST 7 May]	103
Chief Faces Challenge Over 'Pro-Beijing' Policy [Hong Kong SOUTH CHINA SUNDAY MORNING POST 7 May]	103
Martin Lee Criticizes Bid To 'Cut' Court Power [Hong Kong SUNDAY HONGKONG STANDARD 7 May]	104
Editorial Praises Threatened Sanctions on Japan [Hong Kong SOUTH CHINA MORNING POST 8 May]	105

General

Official Terms WTO Talks 'Very Difficult'

OW0505125495 Beijing XINHUA in English 1245
GMT 5 May 95

[FBIS Transcribed Text] Beijing, May 5 (XINHUA/OANA)—A senior Chinese trade official said here today that the informal talks on China's access to the World Trade Organization would be "very difficult."

"We are ready to reciprocate with flexibility if major WTO members carry out their promise to be positive, flexible and pragmatic during the talks," the official said.

The remarks were made by Chinese Assistant Foreign Trade Minister Long Yongtu, who will head a delegation to Geneva on Sunday to attend the new round of informal negotiations on China's restoration of its contracting status in the General Agreement on Tariffs and Trade (GATT) and founding membership in the WTO.

The two-week informal discussions, scheduled to start next Tuesday [9 May], will touch on a wide range of issues covering market access, trade in services, China's resumption protocol and some substantial problems as to the intention of a certain party to resort to the non-application clause.

Long said that the schedule is tight, as the European Union, the United States and Japan have registered for immediate discussions.

China failed to resume its contracting party status in GATT last year. Following the conclusion of the last round of negotiations at the end of last year, Ambassador Pierre-Louis Girard, chairman of the Working Party on China, invited parties concerned to resume talks this year, but China did not respond to his invitation at that time.

In early March this year Girard suggested that talks be resumed on China's WTO access in mid-April. And U.S. Trade Representative Mickey Kantor said during his China trip this March that the United States would be the first to send a delegation to Geneva, and is willing to take a positive, pragmatic and flexible attitude toward the negotiations, once the date is fixed.

On April 11 Ambassador Girard, on behalf of the WTO Secretariat, formally invited the parties concerned to start informal talks in Geneva on May 9.

"China's door for access to the WTO has never been closed," Long said, adding, "Taking the requests of the parties concerned into account, we have agreed to accept the invitation and take part in the talks."

The assistant minister said China's joining the WTO is in line with the country's goal of deepening reform and expanding its opening-up.

China's determination to join the WTO shows that it is ready and willing to act in accordance with international practices in trade and investment, he added.

China attaches great importance to the new round of talks and hopes to see the major WTO members carry out their promises to be positive, pragmatic and flexible, Long said.

However, he noted that the major party has not yet demonstrated readiness to keep its word.

Group Leaves for WTO Talks in Geneva 7 May

OW0705042295 Beijing XINHUA in English 0318
GMT 7 May 95

[FBIS Transcribed Text] Beijing, May 7 (XINHUA)—A Chinese delegation headed by Assistant Foreign Trade Minister Long Yongtu, left here today for Geneva to attend the new round of informal negotiations on China's restoration of its contracting status in the General Agreement on Tariffs and Trade (GATT) and its founding membership in the World Trade Organization (WTO).

The two-week informal discussions, scheduled to start next Tuesday [9 May], will touch on a wide range of issues covering market access, trade in services, China's resumption protocol and some substantial problems as to the intention of a certain party to resort to the non-application clause.

Prior to his departure, Long called the schedule tight, as the European Union, the United States and Japan have registered for immediate discussions.

China failed to resume its contracting party status in GATT last year. Following the conclusion of the last round of negotiations at the end of last year, Ambassador Pierre-Louis Girard, chairman of the Working Party on China, invited parties concerned to resume talks this year, but China did not respond to the invitation at that time.

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On April 11 Ambassador Girard, on behalf of the WTO Secretariat, formally invited the parties concerned to start informal talks in Geneva on May 9.

Taking the requests of the parties concerned into account, China has agreed to accept the invitation and take part in the talks, Long said.

China attaches great importance to the new round of talks and hopes to see the major WTO members act up to

their promises to be "positive, pragmatic and flexible," Long said, adding that if so, China is ready to reciprocate with flexibility.

Trade Minister Wu Yi Solicits GATT Support

OW0505113895 Beijing XINHUA in English 1127
GMT 5 May 95

[FBIS Transcribed Text] Geneva, May 4 (XINHUA)—Visiting Chinese Minister of Foreign Trade and Economic Cooperation Wu Yi today reiterated China's determination to rejoin the General Agreement on Tariffs and Trade (GATT).

"China's attitude is positive and resolute," the minister said when meeting with Pierre Girard, chairman of the GATT working party on China, in Geneva this afternoon.

According to sources close to the talks, Girard informed Wu of doubts from some GATT contracting parties about China's "intensity of commitment" to its re-entry process, which Wu described as "groundless."

She stressed the fact that China, which submitted its request for the restoration of GATT membership as early as 1986, has been engaged in membership negotiations for eight years.

In addition, China took part in the Uruguay Round multilateral trade negotiations from the very outset and signed the final act of the round and the agreement on establishing the World Trade Organization (WTO), the successor to GATT.

On top of these, Wu added, China has already made a whole set of concessions in tariffs, service industries as well as market access. She also pointed to China's effort to reform the foreign trade regime, which is now basically in line with international norms.

The GATT membership will serve China's ongoing reforms and opening-up policies as well as its efforts toward a socialist market economy, Wu told Girard, adding that on the other hand, the multinational trading system would be "incomplete" if a trading power such as China were not included.

As for China's re-entry into GATT as a developing country, Wu stressed her country's appeal for a proper and realistic settlement of the issue on the basis of the Uruguay Round agreements.

The Chinese minister pointed out that the "realistic" approach, as expected by Girard from China in the re-entry talks, should apply to all negotiating parties.

"It would be unrealistic and unreasonable to keep on demanding unilateral concessions from China," she said.

China's economic strength and development level should be fully taken into consideration, Wu said. Although it has witnessed a rapid economic growth, she added, China at present can only commit itself to the

obligations compatible to its current development level, considering its still weak economic basis.

Wu stressed that China would respond positively to any flexibility the GATT contracting parties might show in next week's talks concerning China's re-entry into GATT.

Girard expressed that he would make his efforts in achieving progress in the coming talks and Wu thanked him.

Wu Yi Discusses Continuing 'Opening-Up Policy'

OW0505145495 Beijing XINHUA in English 1441
GMT 5 May 95

[FBIS Transcribed Text] Geneva, May 5 (XINHUA)—Chinese Minister of Foreign Trade and Economic Cooperation Wu Yi said here today that China will continue its reform and opening-up policy as well as cooperation with the rest of the world.

Addressing the '95 Winconference in Geneva, Switzerland, where she is paying a five-day visit, Wu briefed some 1,000 politicians and business figures at the meeting on China's achievements since adopting the policy of reform and opening-up in 1978.

She said China's goal is to quadruple the gross national product (GNP) of 1980 by the year 2000 so that the Chinese people would live a fairly comfortable life.

To this end, Wu said, China will continue efforts in reforming its foreign trade regime, bettering investment environment as well as in improving protection of intellectual property rights (IPR).

To establish a foreign trade system conforming with both the socialist market economy and the internationally prevalent economic norms, she said, efforts will be devoted particularly to regulate imports chiefly by economic and legal means, to ensure equal market access for foreign products while protecting infant industries according to the prevailing trade rules.

In addition, China will set up a legal framework for China's foreign trade and economic cooperation within three years, Wu said at the meeting.

The May 3-5 international economic symposium was hosted by Switzerland's Winterthur Insurance Company.

In her speech, Wu assured foreign investors of more favorable policies, with a focus on such sectors as service, trade, agriculture, energy, transportation, raw material industries and hi-tech industrial projects.

However, she said, investment is encouraged to flow to central and western China, a region relatively underdeveloped with huge potential.

She also promised to resolve the issue of national treatment for foreign investors.

Wu stressed the need for China to further improve legislation and law enforcement system for protecting IPR and to increase the level of protection.

Wu said that in the aspect of IPR protection legislation, the progress China gained in less than 10 years took some developed countries several decades or even hundreds of years to accomplish.

Talking about the February Sino-U.S. agreement on the IPR issue, Wu noted that the understanding reached on the issue is "not exclusionary."

In her speech, Wu reiterated China's support for a multilateral global trading system, saying China, in its capacity as a developing country, should become as soon as possible a founder member of the World Trade Organization, the successor to the General Agreement on Tariffs and Trade.

Wu also expressed concerns over the anti-dumping investigations by some countries in recent years against Chinese products and their enhanced restriction on Chinese imports.

She made it clear that China opposes dumping practices as well as the true protectionism under the guise of anti-dumping.

"We hope all trading partners could open their markets and dismantle all kinds of barriers," she added.

XINHUA Reports on U.S.-DPRK Talks

U.S. on Talks Resumption

OW0605003595 Beijing XINHUA in English 2108
GMT 5 May 95

[FBIS Transcribed Text] Washington, May 5 (XINHUA)—The United States and the Democratic Peoples' Republic of Korea (DPRK) have not yet resolved the issues of where and when they will begin their talks on nuclear reactors program, the State Department said here today.

The United States received a letter from the DPRK this morning via the DPRK Mission to the United Nations.

"I'm told that the response received today has not resolved the issues of venue and timing for the proposed policy-level talks," said Nicholas Burns, spokesman of the Department.

But Burns acknowledged that the Koreans offered a suggestion in their letter on the time and venue for the talks.

"We are studying the letter now," Burns said, "We will respond very shortly to this letter."

"We are quite confident that we will resolve those issues shortly, and we look forward to these very important discussions," he stressed.

The U.S. offered the DPRK on Tuesday [2 May] a proposal of resuming their talks in mid-May in Geneva after it was notified that the DPRK agreed to hold higher level talks with the United States.

It was reported by Japanese television station TBS today that the DPRK and the U.S. will resume their talks on May 15, but the location had not been decided.

DPRK Warns U.S.

OW0605053095 Beijing XINHUA in English 0512
GMT 6 May 95

[FBIS Transcribed Text] Pyongyang, May 6 (XINHUA)—The Democratic People's Republic of Korea (DPRK) will take measures of its own if the United States insists on forcing the DPRK to accept South Korean light-water reactors, a leading official paper of the DPRK said today.

The comment came in response to American charges that the DPRK was responsible for the breakdown of recent negotiations in Berlin and to the threat of sanctions.

The DPRK declared its unwillingness to accept South Korean light-water reactors long ago, the comment said, and whether it will unfreeze its nuclear facility depends on the United States.

The comment warned the United States not to test the will of the country, which does not like empty talk.

Clinton Urges Russia To Stop Sale To Iran

OW0805043495 Beijing XINHUA in English 0242
GMT 8 May 95

[FBIS Transcribed Text] Washington, May 7 (XINHUA)—U.S. President Bill Clinton Sunday [7 May] urged Russia to cancel its planned sale of four nuclear reactors to Iran.

Speaking to the American Israel Public Affairs Committee, Clinton said that Russia would be endangering its own security by supplying Iran with the reactors under a 1-billion U.S. dollars contract signed between the two countries in January.

"If this sale goes forward Russian national security can only be weakened in the long term," Clinton said on the eve of a summit with Russian President Boris Yeltsin scheduled on May 10.

He said Tehran was attempting to get reactors and nuclear technology more than its actual needs.

This fact plus other evidence about Iran's nuclear program supports only one conclusion: "Tehran is bent on building nuclear weapons," Clinton said.

Clinton indicated that he would try to persuade Yeltsin to reconsider the decision during the forthcoming summit.

Iran and Russia have denied U.S. accusations, saying that their nuclear cooperation is only for peaceful purposes and it does not violate the nuclear Nonproliferation Treaty.

U.S. 'Pleased' at Turkish Forces Leaving Iraq

OW0605003495 Beijing XINHUA in English 2202 GMT 5 May 95

[FBIS Transcribed Text] Washington, May 5 (XINHUA)—The United States said here today it was pleased to note that nearly all Turkish forces have departed from northern Iraq.

Nicholas Burns, spokesman of the State Department, said that the Turkish government "has acted upon its commitment to the United States and the international community" to withdraw its 35,000 troops from Iraq.

Turkey announced yesterday it has pulled out the last of its troops from northern Iraq, six weeks after 35,000 soldiers crossed the border to wipe out Kurdish rebel bases.

But Burns told reporters that "There may be—we're not quite sure—a limited number of soldiers on the other side of the border in mopping up operations."

Turkish President Suleyman Demirel on Tuesday (2 May) attacked the West for pressuring his nation to solve its Kurdish problem.

The Turkish leader singled out for criticism a letter from U.S. Secretary of State Warren Christopher urging Turkey to find a political solution for its 12 million ethnic Kurds.

"When I read Christopher's letter I felt as if boiling water was being poured over my head," Demirel said in an interview with a Turkish newspaper.

Kurdish rebels have been fighting for autonomy in southeastern Turkey since 1984, an insurgency that has killed 15,000 people in ten years.

Burns said the United States has supported Turkey's fight against the rebels.

"It is absolutely necessary to protect the Turkish population from terrorist attacks" from the rebels, the spokesman added.

XINHUA Reports on U.S.-Japanese Auto Talks

'Roundup' Views Talks

OW0605225195 Beijing XINHUA in English 1830 GMT 6 May 95

["Roundup" by Zhai Jingsheng: "U.S.-Japanese Auto Trade Talks Fail"]

[FBIS Transcribed Text] Washington, May 6 (XINHUA)—Nearly two-year efforts by the United States and

Japan to find a settlement of a bitter trade war over autos and auto parts concluded in failure in the wake of five-day difficult talks.

The failure was announced following the end of latest round talks in Vancouver and Whistler, British Columbia of Canada, late Friday (5 May) night.

U.S. Trade Representative Mickey Kantor admitted that the two sides failed to bridge the wide gap over car trade issues between the two countries.

However, he blamed the failure on Japan, saying Japan "has refused to address our most fundamental concerns in all areas." "Discrimination against foreign manufacturers of autos and auto parts continues," Kantor said in a statement.

"After 20 months of talks, it has become apparent that Japan will not take the steps necessary to bring genuine market access and concrete results in a sector in which Japan has a 37 billion dollar trade surplus with the United States," the U.S. top negotiator said in his statement.

Kantor, however, refused to discuss at his Friday night news conference what actions the administration might take as a retaliation.

The United States is demanding wider access to Japan's network of car dealers and deregulation of its tightly-controlled replacement parts markets. The Japanese side had already hinted to make compromise over the issues as an effort to reach an agreement. It is believed that in the recent talks, the biggest sticking point has been an American demand that Japanese car manufacturers stock their factories with more U.S.-made parts by renewing so-called "voluntary purchase plans".

The voluntary purchase plans which had been put into effect in 1992 but expired in March this year. U.S. officials say those plans were effective in getting both Japanese and U.S. car-makers to develop business relationships.

But, the Japanese negotiators blamed the U.S. of seeking "a managed trade". They said purchasing arrangements should be made between car companies, not governments, and until this week even refused to discuss the issue officially. Only later on Wednesday after Ryutaro Hashimoto, Japanese Minister of International Trade and Industry met with Kantor in Vancouver, they agreed the renewal of the plans would be included in the formal discussions.

Threatening to impose 100 percent tariffs on Japanese products exported to the United States, the Clinton administration has increased pressure in a bid to force Japan to resolve the thorniest trade issue between the world's two powerful economic countries.

In an interview with local press in Detroit on Thursday, President Clinton threatened to impose sanctions on Japan after four-day high-level negotiations made little progress.

"The United States is committed to taking strong action," Clinton warned.

He said U.S. Trade Representative Mickey Kantor's tough line with Japan on opening its car and car parts markets "is my line, it is my conviction."

Kantor was scheduled to deliver a report today to the president's decision-making National Economic Council in Washington, which has been examining Japanese products to target with punitive tariffs that would take effect 30 days after a list of them is published.

Industry sources, who spoke on condition that their names not be used, revealed that one option being considered by the administration was to dramatically increase tariffs on Japanese luxury autos, cars selling for more than 30,000 U.S. dollars. The tariff on all foreign passenger cars imported into the United States is now only 2.5 percent.

"We have a number of options," Kantor claimed.

Meanwhile, the Japanese negotiators said again on Friday they will proceed immediately to bring an unfair-trading case against the United States before the World Trade Organization, which established in January, 1995 once the U.S. sanctions list is published.

The tough talks reflected the economic importance of the auto industry to both countries. Over 50 percent of America's record 66 billion U.S. dollar trade deficit with Japan is caused by autos and auto parts. The administration believes it has little hope of reducing its huge trade deficit with Japan without progress in this area.

Kantor Cited on 'Breakdown'

OW0605231195 Beijing XINHUA in English 2120
GMT 6 May 95

[FBIS Transcribed Text] Washington, May 6 (XINHUA)—U.S. Trade Representative Mickey Kantor today said that the U.S. decision-making body was unanimous in its recommendation to President Bill Clinton on what action to take in response to a breakdown in U.S.-Japan trade talks.

"There was a very thorough and detailed review but very little debate," Kantor said in a statement following a meeting of the President's National Economic Council (NEC). However, Kantor declined to reveal what the recommendation is and would not speculate on when the president might make a decision.

"The NEC considered all the options available with regard to responding to this situation," added Kantor, who flew home overnight to participate in the council's morning consultations.

The U.S. chief negotiator has claimed that there had been a number of options available in dealing with Japan.

He declined to give any time line for an announcement by President Clinton, who vowed earlier this week in Detroit to take "strong action" should Japan refuse to strike a deal.

Senator Carl Levin, said he spoke with Clinton in Michigan on Friday [5 May] and was assured that the president "is prepared to do what no other administration has done for 25 years: Tell Japan that it faces restrictions on its goods if it doesn't open its market to our autos and auto parts."

The threat of sanctions has long loomed over the discussions in what could be the largest such trade case in U.S. history.

U.S. officials speaking on condition of anonymity, said in advance of the NEC meeting that the administration had drawn up a list targeting more than 1 billion U.S. dollars in Japanese imports for punitive tariffs. It was reported that the sanctions list was likely to focus on autos and auto parts. One option was a sharp rise as high as 100 percent in the tariff on Japanese luxury cars that sell for more than 30,000 U.S. dollars while current tariff on all foreign cars is only 2.5 percent.

Trade negotiators from both countries had met for five days before declaring an impasse late Friday.

In addition to the demand of renewal of "voluntary purchasing plans", which was widely considered as the sticking point for the failure of the five-day talks in Canada this week, the United States was requesting for an expansion of dealerships in Japan that sell U.S. cars and a relaxation of safety regulations that block sales of U.S.-made parts to repair shops.

Kantor, the U.S. top negotiator, before departing Canada, claimed that the Japanese had "adopted a rigid ideological stance that appeared bent on failure, while we attempted to seek practical solutions to real problems."

Japanese Minister for International Trade and Industry Ryutaro Hashimoto blamed the United States for insisting that any deal had to include purchasing plans that would boost sales of U.S.-made auto parts to Japanese factories operating in the United States and Japan, which he termed as "managed trade".

Japan vowed to forward the issue to the World Trade Organization (WTO), the new Geneva-based multinational trade arbitration panel, should the United States government publishes listing of Japanese imported goods for punitive tariffs.

International Military Sports Congress Opens

OW0605110195 Beijing XINHUA in English 0846
GMT 6 May 95

[FBIS Transcribed Text] Beijing, May 6 (XINHUA)—The 50th Congress of the International Military Sports Council (IMSC) opened here today.

Fang Liangqing, deputy director of the preparatory committee of the congress, said at the opening ceremony that China will send a 200-member delegation to the first World Military Sports Meet which will be held in Rome, Italy, between September 4-16 this year.

He said that China attaches great importance to physical training in the armed forces and takes it as part of military training.

To raise the soldiers' physical conditions, the General Departments of the Chinese People's Liberation Army (PLA) has worked out standards for physical training within the army and a system of routine physical tests in line with the standards has been established.

China became a member country of the International Military Sports Council in 1978 and since then, it has hosted four championships and the 34th congress of the IMSC.

Lt. Col. G. Gola, member of the executive committee of the IMSC, said that preparations for the first World Military Sports Meet are well under way, and nearly 7,000 athletes from some 100 countries and regions will participate in 17 events in the sports meet.

Chinese President and Chairman of the Central Military Commission Jiang Zemin and other high officials sent congratulation messages to today's opening ceremony.

Set up in 1948, the International Military Sports Council has a total of 108 member countries.

Jiang Zemin Speaks

OW0605113595 Beijing XINHUA in English 0952
GMT 6 May 95

[FBIS Transcribed Text] Beijing, May 6 (XINHUA)—Chinese President Jiang Zemin met with Brig. A. Zechner, president of the International Military Sports Council (CISM), and other members of the CISM Executive Committee in the Great Hall of the People today.

Extending warm welcome to delegates from all CISM members states, Jiang congratulated the convening of the 50th CISM General Assembly which opened this morning, and he wished it success.

The 50th CISM General Assembly has been the largest gathering in CISM history since its founding in 1948.

Jiang hoped that the convening of the assembly will be conducive to pushing ahead global military sports and help enhance friendship and exchanges among armies and peoples of the world.

Present at the meeting were Zhang Wannian, Chief of General Staff of the Chinese People's Liberation Army (PLA), and Li Jing, Deputy Chief of the PLA General Staff.

The CISM is one of the world's largest sports organizations and the only military sports set-up in the world. It

works to promote links among armies in sports, with a view to enhancing friendship through sports.

CISM now has 108 members states. China became a CISM member in 1979.

XINHUA 'Roundup' on UN Crime Summit

OW0605233595 Beijing XINHUA in English 1916
GMT 6 May 95

["Roundup" by Kang Xingping: "Heated Discussions Prevail at UN Congress on Crime Prevention"]

[FBIS Transcribed Text] Cairo, May 6 (XINHUA)—Heated discussions, sometimes coupled with debates, have prevailed at the ninth UN Congress on Crime Prevention and Treatment of Offenders (UNCPCOT) since it opened here on April 29.

More than 2,000 participants from 138 countries and over 30 international organizations have engaged themselves in extensive discussions on means of fighting organized transnational crime, penalizing environmental crimes and preventing violence.

Up to now, they have focused on four major topics on the agenda, which are international cooperation and practical technical assistance for strengthening the rule of law; economic and organized crime and the role of criminal law in the protection of the environment; the management of criminal justice systems, including police, judiciary and prisons; and strategies for preventing urban crime and juvenile and violent criminality including victims' rights and redress.

UN Secretary General Butrus Butrus-Ghali sent a written speech to the congress, which was read out by the congress' Secretary General Giorgio Giacomelli at the opening session on April 29.

In the speech, Butrus-Ghali said that UN member states have stressed that any increase in the capacity and capability of the perpetrators of crime should be matched by similar capacity and capabilities of law enforcement and criminal justice authorities.

He pointed out that rising crime is impairing the process of development and the general well-being of humanity.

"All over the world, there are flashpoints of conflict, whether ethnic, social or political in origin, often resulting in the erosion of the institutions of government and administration," he said. "Sometimes, the rule of law has collapsed completely."

The participants soon reached a consensus as regard to the general aspects of the projected items on the agenda, such as fighting multinational crime syndicates, money laundering, crimes against the environment, violent criminality and guarantee of victims' rights as well as a variety of relevant issues.

Differences, however, arose when touching upon concrete terminologies and clauses.

On April 30, different viewpoints clashed on using the term of "terrorist" when Egypt, the host of the congress, Tunisia and Turkey submitted draft resolutions on terrorism and called for facilitating extradition of suspects. The three countries have said government opponents are using Europe and some other places as bases for anti-government operations.

South Africa's delegation warned against using the term, citing that Nelson Mandela's African National Congress was labelled terrorist by the former apartheid government.

A compromise ensued after the head of the Egyptian delegation, Interior Minister Hasan al-Alfi, said failure to agree on a definition should not stop the congress from adopting a resolution.

It was pointed out at the congress that many countries do not have national legislation providing a predictable basis for extradition and the coverage of existing extradition treaties is incomplete, especially when new states emerge and new forms of criminality develop.

Therefore, it is difficult to ensure that increasingly mobile criminals who flee across national boundaries can be brought to justice at home. Draft resolutions submitted by some countries called for the UN to work on model laws to help fill the gaps.

Moreover, divisions were most evident in debate over how to protect suspects who call themselves political fugitives. Currently, most extradition treaties allow for "political offense exceptions" for those who claim the nature of their crime is political and that they would face persecution if extradited.

A Canadian delegate and expert on criminality argued that many extremists try to hide behind the provision and called for taking all terrorist cases, such as manslaughter, murder, kidnapping and other violent offenses, out of political category. There was a growing consensus for such an approach, she noted.

UN conventions on hostage-taking, hijacking and similar political crimes say that "wherever perpetrators are found, they must be either extradited or prosecuted" regardless of their motive.

On May 2, women's activists demanded participating countries adopt a broader definition of what constitutes crimes against women, such as female genital mutilation or circumcision, which is extensively practiced in some African countries such as Egypt, and sexual harassment throughout the world.

They said they were optimistic a draft resolution calling for universal effort to curb violence against women would be adopted by the congress. "This is a problem that requires urgent attention worldwide," said Susan Christie, a member of the delegation from Canada, which sponsored the resolution with Turkey.

The draft resolution urges governments to eliminate all forms of violence against women and adopt measures to prohibit and respond to acts of violence. It also touched upon different cultural standards, warning countries not to use them as a pretext for violence.

"Customary, traditional and religious considerations should not be invoked by states to avoid their obligations" in this regard, it said. This kind of debate, like similar ones that bedeviled past international conferences, also crosses cultural lines. In Egypt, female circumcision is legal despite a government effort to ban it. But in North America, it is an offense.

On May 3 when Egypt wanted to link terrorism and organized crime and urged cooperation in combating "growing relationship" between the two, some countries opposed it on the grounds that tying terrorism or organized crime may blur the two things, although they agreed tackling the two problems are important.

"Crimes of terrorism are examples of modern organized crimes as their perpetrators are relying on an orchestrated mechanism in their movements and objectives," said Egyptian Interior Minister al-Alfi.

The United States, Canada, Japan and some European countries pushed for separating terrorism from organized crime in the final resolution. They condemned both but would not link them.

On May 4 and 5, the sessions were devoted to discuss combating official corruption and environmental crimes. A group of participants decried official corruption, but no country was accused of profiting from bribery and little blame emerged for huge amounts of money stashed in secret bank accounts.

As the issue of fighting corruption is quite touchy, many countries' delegations simply did not show up at the meeting, leaving the spacious conference hall more than half empty.

UN reports say in recent years corruption among government officials has taken new dimensions with an increasing access to private markets and the greater flow of capital across borders. One report estimates that bribes to third world leaders involve an annual amount of 4.5 billion U.S. dollars just for their countries' arms purchases.

Most industrialized countries do not forbid companies to bribe foreign officials so long as the bribing takes place in the foreign country.

According to an UN official, however, the main exception is the U.S. whose official law forbids "off-shore bribes" as one of the best ways to fight government corruption.

Al-Alfi, head of the Egyptian delegation, said that "the importance of facing such government corruption is absolutely clear." He cited a long list of laws adopted to

fight corruption in Egypt, where bribes are epidemic, with few officials ever heard of being brought to trial on charges of taking bribes.

On combating environmental crime, delegates chiefly blamed multi-national corporations for doing harm to environment in poor communities and developing countries though they are providing thousands of jobs.

Gunter Heine, an environmental expert from Germany, said companies pay only a small penalty for environmental crimes. In Italy, for instance, businesses can pay up to 5,000 dollars for violating environmental laws. In developing countries, they pay even less for the same offense.

Therefore, it is often cheaper to pay the fine than to make necessary modifications to avoid breaking laws, he said.

The current UN congress on crime is the first one ever held on the African continent and in the Arab world, to which the Egyptian government has attached great importance.

Participants at the congress, divided into two committees for discussion, will submit reports for general review and approval Sunday afternoon and Monday morning.

Article on Possible Clashes Over Spratlys

HK0805052995 Hong Kong KUANG CHIAO CHING
in Chinese No 271, 16 Apr 95 pp 16-22

[Article by Ling Yu (0407 1342): "The Situation on Nansha (Spratly) Islands Is Tense, Sino-Philippine War May Break Out at Any Moment"]

[FBIS Translated Excerpt] The Philippines Steps Up
Offensives Against China

On 20 March 1995, Tang Jiaxuan, vice foreign minister of China, held talks with his Philippine counterpart (Ceberio) in Beijing on the dispute over the Nansha [Spratly] Islands; the talks lasted three days and concluded without reaching any agreement. The Philippine Navy detained four Chinese fishing boats on the sea around Xiane Reef on 25 March and detained another the next day. Manila asserted that as of 28 February, the Philippine Navy had dismantled markers erected by China on a number of reefs on the Nansha Islands.

Shen Guofang, spokesman of the Chinese Foreign Ministry, pointed out on 25 March that the Nansha Islands have been Chinese territory from time immemorial and that both sides should find a way to properly settle the dispute between them in a calm and constructive manner. The Philippine Navy's recent acts of dismantling the survey markers left by the Chinese side in previous years were neither good for settling the issue nor have they impaired China's sovereignty over the Nansha Islands. On 28 March, the Chinese Foreign Ministry issued a statement, asking the Philippines for the immediate release of the five detained Chinese

fishing boats and their crews. However, Manila defied the Beijing statement and continued to step up its confrontation. [passage omitted]

Six Countries and Seven Parties Vying for Nansha

To date, the Philippines, Vietnam, and Malaysia have dug hundreds of oil and gas wells on the Nansha Islands and their surrounding waters with oil companies from the United States, Britain, Japan, Sweden, and Russia. Every year, hundreds of millions of tonnes of oil and natural gas resources are plundered by these countries, thus causing astonishing economic losses.

The Nansha Islands are at a strategic point in the sea lane between the Pacific Ocean and the Indian Ocean. Among the 16 strategic war-time channels announced by the U.S. Navy in 1988, two are in the Nansha region (at the Strait of Malacca and the Strait of Sunda). In the 1980's, 270 ships passed through the Nansha waters everyday, and a very large proportion were carrying petroleum and strategic materials.

Delicate Situation in Southeast Asia; the United States Has a Covetous Look

At present, the Nansha Islands are in a tense situation in which six countries and seven parties have entered into rivalry. Following the Soviet Union's disintegration and the Russian Navy's withdrawal from Vietnam's Cam Ranh Bay, Vietnam has become closer to ASEAN and has raised the possibility of joining ASEAN. As far as the Nansha Islands are concerned, there are signs that those Southeast Asian countries which have conflicting interests with China are going to ally themselves. As events develop, there is a greater and greater possibility that countries such as the United States and Japan will meddle in the South China Sea situation to protect the important routes and their strategic interests in the southern Asian-Pacific region. [passage omitted]

The Nansha Issue Should Not Drag on Too Long

The Chinese Government has repeatedly reasserted its sovereignty over the Nansha Islands, but countries involved in the Nansha dispute have turned a deaf ear to it or have even stepped up their military deployment on occupied islands and waters. The Philippines' recent confrontational acts of dismantling Chinese markers on the island reefs and detaining Chinese fishing boats are merely the tip of the iceberg. The reason is very simple: People with vested interests in the benefits they have reaped will not give up their gains merely because of the former owner's verbal statements, will they? Without a show of strength, will the plunderers willingly return things taken out of your hands?

"Joint Development" Is Not Easy To Materialize

At a news conference in June 1991, Chinese Foreign Ministry spokesman Wu Jianmin fully elaborated on the Chinese Government's stand on the Nansha Islands issue and called for laying the dispute aside and jointly

developing the Nanshas. Up until the opening of the Eighth National People's Congress in 1993, the Chinese Government was still reiterating its stand on settling the dispute through negotiations and jointly developing the region in a peaceful way.

The implication of the Chinese Government's call for joint development was that the countries concerned could, under the precondition of recognizing the Nanshas as Chinese territory, share the marine resources in the Nanshas' waters, which was a very great concession by Beijing. The CPC's move was a show of magnanimity while striving for sovereign dignity, territorial integrity, and a peaceful environment at the expense of its economic interests.

In February 1992, China promulgated the "Law on Territorial Waters". Shortly afterwards, China and the United States signed a contract on jointly prospecting for oil and gas resources in the Nanshas. All these were moves taken by Beijing to reaffirm the Chinese Government's solemn and just stand on resolutely preserving its territorial sovereignty over the Nanshas. Meanwhile, these moves also imply that Beijing may take measures and means other than the peaceful settlement of the dispute.

ASEAN Countries Strengthen Their Armaments

On the other hand, countries involved in the Nansha dispute do not appreciate Beijing's kindness but have been recklessly expanding their air and naval forces. For example, by taking advantage of the withdrawal of U.S. Navy and Air Force from the Subic and Clark bases, the Philippines have introduced a series of plans to update the equipment of its navy and air force and improve its combat effectiveness. Malaysia has bought fighters from the United States and Russia and corvettes from Britain. Indonesia is also looking for modern weapons in all directions, and Vietnam has taken "further actions" to step up its war preparations against China.

Due to serious differences over the issue of sovereignty and the sharp military confrontation, it seems that it will be very difficult to bring the Nansha issue within the peaceful orbit of "recognizing sovereignty and joint development" as expected by the Chinese Government, while there is greater possibility of an outbreak of military conflict.

How long can the Chinese Government keep "laying aside" the issue of the Nansha Islands? According to the international "principle of time effectiveness," if a country has occupied another country's territory and has exercised effective jurisdiction without any interruption for a fairly long period of time, its territorial claims may be legalized a certain number of years later. This period is generally regarded as lasting 50 years.

Calculated from 1970 when the Philippines encroached on some of the Nansha Islands reefs, Nansha's final time limit is the year of 2020. However, what merits attention is that relevant countries involved in the dispute are

willfully making intensive efforts to "internationalize" the Nansha issue. Once "internationalized," it will be more complicated for China to recapture its territory and it may be, in the military aspect, confronted with multinational forces turning up in the name of the United Nations. At that time, the overall strategic situation may be unfavorable to China's qualitative changes.

Hence, the last five years of the 1990's are the critical period for settling the Nansha issue and China may miss an historic opportunity beyond that. If China does lose the Nansha Islands, it implies that the breadth and depth of China's coastal defense will be shortened by hundreds of nautical miles, and consequently, China's economic and military activities in the South China Sea will be subject to others.

What Should China Do? The Idea of Dispatching Troops to the Nanshas

Given the development of the current situation, the CPC's above-mentioned original idea may be subject to changes; and if repeated forbearance, exhortations, and warnings are of no avail, the Philippines may become the main target of combat.

Several years ago, the Philippines intended to drag the United States into the vortex of the Nansha dispute, but the United States then explicitly said it would not get involved in it. Taking into account the current international political situation and the role the United States played in similar post-WWII international disputes, it is unlikely that the U.S. Army will be deployed to support the Philippines. Nevertheless, if a war does break out, China must not lower its guard against any possible harassment by the Seventh Fleet.

Will the five Southeast Asian countries take joint operations against China? Judged by the present stage of development, they are faced with quite a number of difficulties. First, they have conflicting interests; and second, the five countries have never staged any joint military exercises and obviously, their coordinated combat capability will not be good. So far, they have not made any coordinated arrangements for the command, logistics, communication and liaison, and other aspects of their joint military operations. If a war breaks out, each of them will only be able to manage its own affairs, and the Chinese Army will be in a favorable position to concentrate on defeating its Philippine counterpart. However, precautions must be taken against any small-scale harassment launched by fighters or submarines from those countries in the course of the war.

As the Chinese Navy does not have any aircraft carriers, it is weak in providing air cover for any task force. Hence, it is necessary to have well-organized air cover.

Lineup of the CPC's Oceangoing Combat Forces

Taking into account its rivals' military strength and the required scope of operations, the Chinese special task force should have the following lineup:

The core of the fleet are the guided-missile destroyers, and six to eight are desirable. At present, the South China Sea Fleet is reported to have six 051-type "Luda"-class warships. In view of the need for air defense, "Kaifeng" warships (side number 109, equipped with French-made "Naval Crotale" antiaircraft missiles) and "Harbin" warships (side number 112, the first group of new 052-type "Luhu"-class warships, equipped with "Naval Crotale" missiles) could be temporarily transferred from other fleets to the South China Sea Fleet;

Ten to 16 submarines, and taking into account the need for cruising for long periods in the Nansha waters and for overpowering rival submarines, two 091-type "Han"-class nuclear-powered submarines should be transferred to the Nanshas;

Ten to 15 frigates, and out our of the same need to augment our antiaircraft firepower, the "Yingtian" warship—the only 053K-type "Jiangdong"-class warship on active service (side number 531, equipped with "Hongqi 61" antiaircraft missiles)—should be deployed to the Nanshas; and regarding some of the 053H1-type "Jianghu II"-class warships, if time permits, utmost efforts should be made to install "Pili No.8" antiaircraft missiles and the 76-type twin 37mm- guns platform on the warships (at present, 555 warships have such installations);

Twenty-four to 48 guided missile ships, and utmost efforts should be made to transfer some warships which have been refitted with "Yingji No.8" ship-to-ship missiles for the operation. This is based on the following consideration: "Haiying No.1" missiles have been installed in 051-type destroyers, C-802 missiles installed in "Zhuhai" warships, "Shangyou No.1" missiles installed in 053H-type frigates and most of the 21-type "Huangfeng"-class guided missile ships. If "Yingji No.8" missiles are added to them, our rivals would have to face attacks launched by four types of missiles at the same time, and it is more likely that their electronic anti-missile combat measures will suffer defects;

About 30 patrol boats and submarine hunters;

About six amphibious warships, which are expected to be composed of two 072-type "Zhoushan"-class armored landing ships and four 079-type "Yulin"-class armored landing ships, or two more 273 II-type "Yuliang"-class utility landing ships can be added to the group;

About 10 minelayers;

Thirty to 50 support and maintenance ships, including "Qionghsha"-class and "Fuqing"-class warships.

The shortest preparation time for completing the formation of a special task force fleet of the above-mentioned size is about seven days.

Preparations Made by the Air Arm

Preparations made by the air arm:

Even the Yulin naval port, which is located at Sanya City, the southernmost city of Hainan Province, is over 1,000 nautical miles away from Zengmu atoll, the southernmost part of the Nansha Islands, but among the Chinese fighters now available, only "No.6 bombers" have such a combat radius. Nevertheless, to deal with the air threat posed by the enemy, China must rely on fighters rather than "No.6 bombers." Hence, Xisha Airport must be utilized to the fullest extent. The combat radius of the Russian-made Su-27, which the CPC now has, is about 810 nautical miles, whereas that of PRC-made "No.8II fighters" and "No.7 fighter-bombers" are around 430 and 486 miles respectively. With the exception of the Su-27, whose flying capacity is more than enough to meet the requirements, the other two types of aircraft can just manage to reach the Nanshas if they take off from Xisha Airport. Efforts must be made as early as possible to refit some of the electronic combat equipment which "No.6 bombers" operate. In order to enhance expeditionary forces' anti-submarine capability, some "No.5 maritime bombers" should be dispatched to the South China Sea.

Preparations Made by the Marine Corps

The Marine Corps: two to three battalions.

Part of the medium-range "Dongfeng No.3" missiles of the Second Artillery Corps should be refitted with regular warheads to train on our rivals' naval and air bases, but they should not be employed unless it is inevitable to do so. However, if the war does not progress smoothly, launching a direct missile attack on the very soil of our enemies will dampen the morale of their armies and peoples and hopefully bring the war to an early close.

Since the Chinese Army is quite weak in employing the airborne early warning methods, it will be difficult to quickly discover any missile attack launched by the enemy. Therefore, "No.7 fighter-bombers" should try their best to hunt down enemy guided missile ships and destroy them in a preemptive way.

As long as the Chinese Army deals a severe blow to the first aggressor who invades its territory and, by taking advantage of the opportunity, recaptures territory and territorial waters occupied by the aggressor, it will serve as a warning to others and will play a positive role in China's recapturing of its lost territory and territorial waters and to stabilize the situation in the South China Sea.

Of course, war is not the game of a single side, and the enemy will also launch a counteroffensive when an opportune moment comes, but if the Chinese Army can keep its losses within the limit of 20 percent, it could be considered as successful.

The biggest problem is how to defend the Nanshas after recovering them? This is precisely the most difficult problem. To solve this difficult military problem, hope is placed on the early completion of the building of a PRC-made aircraft carrier!

United States & Canada

WEN WEI PO Views U.S. Consul General's Speech

HK0805091595 Hong Kong WEN WEI PO in Chinese
8 May 95 p A11

["Special Commentary" by Shih Tai-An (2457 3141 1344): "What Role Does the United States Want To Play in Hong Kong?"]

[FBIS Translated Text] Richard Mueller, U.S. consul general in Hong Kong, delivered at a meeting held by foreign correspondents here the other day a long speech entitled "U.S. Long-term Interests in Hong Kong," discussing economic issues in name, but other issues in reality.

In his speech, Mr. Mueller said that the United States not only has tens of thousands of citizens, over 1,000 companies, and tens of billions of dollars of investments in Hong Kong, but also exports billions of dollars' worth of products to Hong Kong. These facts, he noted, show that maintaining and developing economic and trade relations with Hong Kong is conducive to safeguarding the common interests of Hong Kong and the United States, this being indeed the point Mr. Mueller was trying to make. What is strange is that Mr. Mueller suddenly shifted from economic topics to topics such as democracy, the legal system, and human rights in Hong Kong after 1997 by stating: "We are generally concerned about civil and human rights, this being a component of our global diplomacy." Whether or not Hong Kong is able to "continue to enjoy a high degree of autonomy" after 1997 is "a key factor affecting the prospects for Hong Kong's international status, especially the prospects for U.S.- Hong Kong relations." Mr. Mueller declared: "What we plan to do is strengthen cooperation with China and Britain, the two sovereign powers concerned, and do what we're capable of...."

Hong Kong has been Chinese territory since ancient times. The British have practiced colonial rule in Hong Kong ever since their occupation of Hong Kong as a result of the 1840 Opium War. Nonetheless, China has never recognized Hong Kong as a "colony." Early in the 1970s, the United Nations adopted a resolution removing Hong Kong from the list of colonies. The "Sino-British Joint Declaration" and the "Basic Law" both make it clear that the PRC Government has decided to resume the exercise of sovereignty over Hong Kong with effect from 1 July 1997, this being a fact known to the whole world. It is incomprehensible that Mr. Mueller now still mentions Britain as Hong Kong's "sovereign power." The Chinese Government has time and again reiterated: The question of Hong Kong is a matter between the Chinese and British Governments before 1 July 1997 and will become an internal affair of China after 1 July 1997. Therefore, the United States will remain, like other countries in Hong Kong, an investor unqualified to meddle in Hong Kong's internal

affairs both before and after 1997. After 1997, Hong Kong will enjoy a high degree of autonomy, independently formulate and implement its own economic, trade, and revenue policies, issue its own currency, have independent finances and customs, and independently manage entry and exit affairs. Hong Kong will enjoy a much higher degree of autonomy than any U.S. state. The "Basic Law" stipulates that the Hong Kong Special Administrative Region [SAR] Court of Final Appeal will enjoy the power of final judgment. This means that a region within a sovereign state will be given the power of final judgment. Has any U.S. state been given such a power? The Basic Law also provides sufficient safeguards for Hong Kong citizens' basic rights and freedoms in the political, personal, religious, economic, cultural, educational, and social welfare areas. These basic rights and freedoms need no protection by U.S. foreign policy. After 1997, U.S. citizens' legitimate rights and interests in Hong Kong, U.S. investments in Hong Kong, as well as U.S. economic and trade relations with Hong Kong are to be safeguarded by the Basic Law and the laws of the SAR, provided that the parties concerned can abide by the Basic Law and the SAR's laws. As the future SAR government is resolved to provide foreign and local capital alike with a more open and better environment for development and competition, U.S. business interests will certainly acquire more room for development in the future.

What we will emphasize here also is that Mr. Mueller's statement that Hong Kong will have to "continue to enjoy a high degree of autonomy" in the future is obviously a mistake in political concepts and a misunderstanding of Hong Kong's political structure. Moreover, it is a mistake in common sense. Hong Kong is at present still under British colonial rule. The governor of Hong Kong, who has the power of both rule and administration, is appointed by the British Queen. The constitutional documents that apply are the Letters Patent and the Royal Instructions. Is there "autonomy" here? Still less is there a "high degree of autonomy." A "high degree of autonomy" is something after the Hong Kong Special Administrative Region is set up in 1997. As there is not at present a "high degree" of autonomy, how is it possible to "continue with it?"

In his speech, Mr. Mueller said he did not accept the criticism that the United States imposes its values on people of other cultural backgrounds. But to judge from the contents of his speech, it precisely proves that Americans are used to indiscreetly criticizing others using their own values. Two years ago or earlier, the U.S. President signed the so-called "United States, Hong Kong Policy Act" which had been passed by Congress. The act authorized the U.S. President to oversee the implementation of the Sino-British Joint Declaration and to judge whether or not Hong Kong enjoys full autonomy after 1997. It urged the government to report regularly to Congress concerning Hong Kong's democratic development and human rights status. This is an

attempt to confine China's Hong Kong within U.S. laws and is a gross interference in China's internal affairs.

The reason the United States is becoming increasingly interested in Hong Kong as the year 1997 approaches is that it intends to fill the vacuum that will be left when Britain withdraws from Hong Kong. According to well-informed sources, the United States has made arrangements for the setting up of an intelligence organization office [qing bao zu zhi ban shi chu 1906 1032 4809 4930 6586 0057 5710] in its Consulate General in Hong Kong and the addition of an FBI representative. The sources say that the FBI has always had secret service personnel of Chinese nationality working in Hong Kong, infiltrating Hong Kong Government institutions, the press, and some social organizations. Moreover, since the beginning of this year, some U.S. media have set up offices in Hong Kong, publicly declaring that they "will play a more crucial role." Judging from this, Mr. Mueller's speech is a mere pretext for protecting U.S. economic interests in Hong Kong and creates public opinion for its involvement in Hong Kong affairs. But we have to remind Americans that the value of Hong Kong lies in its economy. The reason Hong Kong can attract huge investments from all parts of the world including the United States is that it has a fine investment environment. The United States will still be only an investor after 1997. If it wants to meddle politically in Hong Kong affairs and to change Hong Kong into an arena for political rivalry, it will only end up hurting others as well as itself.

The last line in Mr. Mueller's speech reads: "Ties between Hong Kong and the United States are not confined only to money-related aspects or to successful business. There are interpersonal ties, educational ties, and ties of blood. The United States has always played a role in Hong Kong's historical arena." What role will the United States play in Hong Kong's historical arena in the future? It will only be able to play the role of a foreign investor. The benefit of this role exists only within the limits of the Basic Law, exists only in Hong Kong's prosperity and stability, but not anywhere else. Will the United States be content to play this role? Let us pay attention and observe.

Central Eurasia

Jiang Zemin Leaves Beijing 7 May for Moscow

OW0705081295 Beijing XINHUA in English 0749
GMT 7 May 95

[FBIS Transcribed Text] Beijing, May 7 (XINHUA)—Chinese President Jiang Zemin left here for Moscow by special plane this afternoon to attend celebrations of the 50th anniversary of the victory of the Anti-Fascist War, at the invitation of Russian President Boris Yeltsin.

Among those seeing Jiang and his party off at the Great Hall of the People were Premier Li Peng, Chairman Qiao

Shi of the National People's Congress Standing Committee, Chairman Li Ruihuan of the National Committee of the Chinese People's Political Consultative Conference, Vice-Chairman Liu Huaqing of the Central Military Commission, and Vice-President Rong Yiren.

Also present was Russian Ambassador to China Igor A. Rogachev.

Official sources said that during his stay in Moscow, President Jiang Zemin will join leaders of other countries in commemorating the anniversary, review history, remember those who died for the victory of the war, promote friendship, express aspirations of peoples of all countries for peace and stability, and make sure people of the world and their future generations draw lessons from history.

Therefore, Jiang's trip will be of major and far-reaching significance, the sources said.

Accompanying Jiang on the visit are Vice-Premier and Foreign Minister Qian Qichen, Vice-Chairman of the Central Military Commission Zhang Zhen, Special Assistant Zeng Qinghong, Vice-Foreign Minister Dai Bingguo, Special Assistant Teng Wensheng, Chinese Ambassador to Russia Wang Jinqing and Special Assistant You Xigui.

Arrives in Moscow

OW0705184795 Beijing XINHUA Domestic Service in
Chinese 1652 GMT 7 May 95

[By reporters Li Hongqi (2621 4767 2475) and Wan Chengcai (8001 2052 2088); XINHUA includes a service message replacing an earlier item, a 660-character item transmitted at 1633 GMT, should be replaced with this 821-character one because there is important added information]

[FBIS Translated Text] Moscow, 7 May (XINHUA)—PRC President Jiang Zemin arrived in Moscow at 20:00 tonight (Beijing Time 00:00 on 8 May [1700 GMT on 7 May]) by special plane. At the invitation of President Yeltsin, President Jiang Zemin came to participate in celebrations marking the 50th anniversary of the victory over Fascism.

After President Jiang Zemin's special plane smoothly landed at (Funukevo) No. 2 Airport in Moscow, a Russian Foreign Ministry Protocol Department official and Wang Jinqing, ambassador extraordinary and plenipotentiary to Russia, went aboard the plane to welcome President Jiang Zemin. Walking off the plane ladder, President Jiang Zemin shook hands with Russian Justice Minister Kovalev and Deputy Foreign Minister Panov and accepted flowers from a young woman from the Chinese Embassy.

Talking to Russian Justice Minister Kovalev, President Jiang Zemin said that he was very pleased to come to the great land of Russia once again to meet old friends.

Kovalev said that President Yeltsin is expecting President Jiang Zemin. President Yeltsin held that this is not a courtesy meeting but a friendly meeting of great significance. [replaced item does not have this paragraph]

President Jiang Zemin's entourage—Qian Qichen, vice premier and foreign minister; Zhang Zhen, vice chairman of the Central Military Commission; Zeng Qinghong, special assistant; Dai Bingguo, vice foreign minister; and Teng Wensheng and You Xigui, special assistants—also arrived on the plane.

During his two-day stay in Moscow, President Jiang Zemin will attend a parade at Red Square, which will be participated in by those who took part in the great national defense war and those who worked in the rear. He will attend an inauguration of the great national defense war memorial hall at Fushou [0214 7445] Mountain. He will attend a solemn meeting at the Kremlin marking the 50th anniversary of victory over Fascism, which will be participated in by more than 50 heads of state and government. He also will attend a grand reception hosted by President Yeltsin. President Jiang Zemin also will meet with President Yeltsin alone [dan du hui jian 0830 3747 2585 6015] to exchange views concerning Sino-Russian relations and major international issues.

This is the second time President Jiang Zemin has visited Moscow as Chinese president. In early September 1994, President Jiang Zemin paid his first official visit to Russia. During that visit, he held fruitful talks with President Yeltsin and signed important documents, such as the Sino-Russian Joint Communique and a joint statement on not using nuclear weapons first against each other and not aiming strategic missiles at each other, thus laying a legal foundation for 21st century-oriented new Sino-Russian good-neighborly relations.

Jiang Zemin Meets Yeltsin

OW0805103095 Beijing XINHUA in English 1023
GMT 8 May 95

[FBIS Transcribed Text] Moscow, May 8 (XINHUA)—Visiting Chinese President Jiang Zemin met with his Russian counterpart Boris Yeltsin here today, when they discussed bilateral relations and international issues of common concern in a sincere and friendly atmosphere.

Chinese Vice-Premier and Foreign Minister Qian Qichen and Russian Foreign Minister Andrey Kozyrev were present at the meeting.

President Jiang arrived in Moscow on Sunday [7 May] to attend the May 8-9 celebrations of the 50th anniversary of the victory of the Anti-Fascist War.

Northeast Asia

Japan's Murayama Continues Visit to China

Arrives in Shanghai From Xian

OW0505150795 Beijing XINHUA in English 1450
GMT 5 May 95

[FBIS Transcribed Text] Shanghai, May 5 (XINHUA)—Visiting Japanese Prime Minister Tomiichi Murayama

and his party arrived here from Xian this afternoon on the final leg of their China trip.

Xu Kuangdi, mayor of Shanghai, China's leading industrial and commercial city, met with Murayama and his party this evening.

During the meeting, Xu told Murayama that Japan and the United States are the two biggest investors in Shanghai, based on statistics published at the end of last month, each accounting for 9.4 percent of the total overseas investment in Shanghai.

Foreign investment in Shanghai reached 10 billion US dollars last year, he added.

Murayama said that he was happy to be in Shanghai, which he had long wished to visit.

The Japanese prime minister said he puts great emphasis on Japan-China relations and that his current visit, which coincides with the historic 50th anniversary of the end of the Second World War, is aimed at pushing forward friendly relations between the two countries.

Japan will fully support China's reform and opening up to the outside world, he said, and he added that he believed that Shanghai will become a pioneer in China's economic construction.

Before he left Xian for Shanghai, Murayama had visited in Xian the museum displaying hundreds of life-size terracotta horses and armored warriors excavated from sites near the Qin Shihuang Tomb, the mausoleum of the first emperor of the Qin Dynasty (210-207 B.C.).

In Xian the Japanese prime minister also visited the well-known forest of steles, a collection of over 1,000 stone tablets of calligraphy dating back to the Western Han Dynasty (206 B.C.-24 A.D.).

Views U.S. Trade Talks 'Failure'

OW0605065195 Tokyo KYODO in English 0631 GMT
6 May 95

[FBIS Transcribed Text] Shanghai, May 6 KYODO—Japanese Prime Minister Tomiichi Murayama on a tour of China expressed regret Saturday at reports that Japan and the United States failed to reach agreement on auto and auto parts trade negotiations.

Murayama told reporters he was informed of the failure and said, "the Japanese Government did all it could to settle the issue in line with international rules."

The two countries failed to strike an accord after negotiations between Japan's International Trade and Industry Minister Ryutaro Hashimoto and U.S. Trade Representative Mickey Kantor at the Canadian ski resort of Whistler near Vancouver.

Automobile and auto parts trade is the thorniest issue in the ongoing negotiations to work out a new framework

for bilateral trade. Murayama said, "Japan will wait and see what steps will be taken by Washington on the issue."

Seeks Better Investment Environment

HK0605080495 Hong Kong AFP in English 0719 GMT
6 May 95

[FBIS Transcribed Text] Shanghai, May 6 (AFP)—Japanese premier Tomiichi Murayama left Shanghai on Saturday, wrapping up a five-day China visit during which he urged Beijing to improve its investment climate if it wants to attract more Japanese funds.

"In order for Japanese investment to increase it is important for China to improve the environment for foreign investment," a Japanese foreign ministry official Saturday quoted Murayama as saying.

Murayama arrived in Shanghai, China's financial centre, on Friday on the last leg of a three-city tour that had taken him to Beijing and Xian. The prime minister held brief talks with Shanghai Mayor Xu Kuangdi and toured the massive Pudong development area, which had been designated to lead economic growth in the whole Yangtse River valley. He also attended a lunch reception with the Japanese community in Shanghai.

During Murayama's stay in Beijing, Chinese Premier Li Peng had raised the question of Japanese investment in China, pointing out that it was relatively modest when compared with Hong Kong and Taiwan. According to the foreign ministry official, Murayama specifically called for an improvement in the streamlining of legislation related to investment and other economic related legislation. He also noted that while the appreciation of the dollar against the Japanese yen [as received] had increased China's debt-repayment burden with Japan, it had also resulted in a sharp increase in Japanese investment here. Shanghai alone enjoyed a doubling in Japanese investment last year to 730 million dollars.

Murayama's visit, which coincided with the 50th anniversary of the end of World War II, was dominated by memories of atrocities committed by Japanese troops during their wartime occupation of China. Murayama had expressed "deep remorse" over the past during his talks with Chinese leaders in Beijing, and became the first Japanese premier to visit the Marco Polo bridge—symbol of the incident that started the 1937-45 anti-Japanese war.

The foreign ministry official said here that Murayama had also rejected Chinese complaints over an investigation into Chinese textile imports to Japan, which could end with Tokyo slapping down restrictions. According to the official, Murayama pointed out that Japan had initiated the investigation in response to a petition from the textile industry in Japan, which he said was being seriously hurt by a glut of cheap Chinese imports. "Murayama said this matter had been discussed since last year including at ministerial level and although

China had taken measures, unfortunately the measures had not resolved the problems," the official added.

Leaves Shanghai for Home 6 May

OW0605081495 Beijing XINHUA in English 0729
GMT 6 May 95

[FBIS Transcribed Text] Shanghai, May 6 (XINHUA)—Japanese Prime Minister Tomiichi Murayama, at the end of his five-day China visit, left Shanghai for home this afternoon.

Zhu Kaixuan, head of the Chinese government reception committee and minister in charge of the State Education Commission, and Shanghai Mayor Xu Kuangdi saw the Japanese prime minister off at the airport.

Before his departure, Murayama visited the Pudong New Area this morning.

During his stay in China, Murayama exchanged views with Chinese leaders, including President Jiang Zemin and Premier Li Peng, on a wide range of issues.

While in Beijing, the Japanese prime minister visited the Lugou (Marco Polo) Bridge and the Memorial Hall of the War of Resistance Against Japanese Aggression.

Murayama was the first Japanese prime minister to visit the Lugou Bridge since the end of the war.

In Xian, home of terracotta warriors, Murayama visited the museum displaying hundreds of life-size terracotta horses and armored warriors excavated from sites near the Qin Shihuang Tomb, the mausoleum of the first emperor of the Qin Dynasty (210-207 B.C.).

Arrives in Tokyo

OW0605153195 Beijing XINHUA in English 1450
GMT 6 May 95

[FBIS Transcribed Text] Tokyo, May 6 (XINHUA)—Prime Minister Tomiichi Murayama's just ended visit to China has achieved a lot, Chief Cabinet Secretary Kozo Igarashi said today, quoting Murayama.

Murayama, who returned home Saturday from a five-day official visit to China, said that he was warmly welcomed by the Chinese side during his stay in China.

While in China, Murayama held talks with Chinese President Jiang Zemin, Premier Li Peng and Chairman of the Standing Committee of the National People's Congress of China Qiao Shi.

ROK Corporation To Expand Investment in China

OW0805084895 Beijing XINHUA in English 0801
GMT 8 May 95

[FBIS Transcribed Text] Beijing, May 8 (XINHUA)—The Lucky-Goldstar Electric Products Corporation of the Republic of Korea intends to invest 300 million U.S. dollars this year in a bid to further expand its presence in

China's inland market, according to the latest edition of the "China Machinery and Electrics Daily."

The company has so far established six joint ventures in Beijing, Tianjin, Shanghai, Changsha and Shenyang, mainly producing electric appliances, the paper reported.

The company plans to set up a dozen more factories and open agencies in China's inland cities, according to the newspaper.

An executive of the company was quoted as saying that this year, the business turnover of the company's operations on the Chinese mainland, Hong Kong and Taiwan will be triple that of last year.

In 1994 its business turnover on the Mainland alone reached 100 million U.S. dollars-worth.

According to the executive, Lucky-Goldstar will put more efforts in promoting the reputation of its products in order to compete with Japanese products.

As he put it, Lucky-Goldstar will play an active role in developing China's inland market, and introduce a new product—the "multi-media computer."

Southeast Asia & Pacific

Lao Parliament President Saman Arrives in Kunming

OW0405133495 Beijing XINHUA in English 1301
GMT 4 May 95

[FBIS Transcribed Text] Kunming, May 4 (XINHUA)—A delegation of the National Assembly of Laos, headed by its President Saman Vi-gnaket, arrived in Kunming, capital of southwest China's Yunnan Province, by air this afternoon.

The Lao visitors are here to start an official goodwill visit to China at the invitation of the Standing Committee of the National People's Congress (NPC).

Yin Jun, Chairman of the Standing Committee of Yunnan Provincial People's Congress, met with and held a banquet in honour of the Lao visitors in the evening.

CPPCC Vice Chairman Meets Thai Visitors

OW0505033595 Beijing XINHUA in English 0225
GMT 5 May 95

[FBIS Transcribed Text] Beijing, May 5 (XINHUA)—Qian Zhengying, vice chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), met with a delegation of Thai governors at the Great Hall of the People here today.

Qian had a cordial talk with the delegation, which is headed by Damri Watthanasing, deputy permanent secretary of the Thai Ministry of Interior.

The Thai visitors are here as guests of the Chinese People's Association for Friendship with Foreign Countries to learn about China's economic and opening up and its local administrative system.

CPPCC Vice Chairman Meets Thai Governors

OW0505102895 Beijing XINHUA in English 0925
GMT 5 May 95

[FBIS Transcribed Text] Beijing, May 5 (XINHUA)—Qian Zhengying, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), met with a delegation of Thai governors at the Great Hall of the People here today.

Qian had a cordial talk with the delegation, which is headed by Damri Watthanasing, deputy permanent secretary of the Thai Ministry of Interior.

The Thai visitors are here as guests of the Chinese People's Association for Friendship With Foreign Countries to learn about China's economic and opening up and its local administrative system. [sentence as received]

Vietnamese Edition of Deng's Works Published in Hanoi

OW0705083795 Beijing XINHUA Domestic Service in Chinese 1545 GMT 5 May 95

[By reporter Ling Dequan (0407 1795 2938)]

[FBIS Translated Text] Hanoi, 5 May (XINHUA)—A ceremony was held here this afternoon in which Vietnam's State Political Publishing House presented a copy of the Vietnamese edition of the *Selected Works of Deng Xiaoping* to the Chinese Embassy here.

At the ceremony, Chen Yin [transliteration as received], president of the publishing house, said: Vietnam values the successful experience of China's reform and opening up. The *Selected Works of Deng Xiaoping* is a valuable, great masterpiece popular among Vietnamese readers.

Chinese Ambassador to Vietnam Zhang Qing said: Comrade Deng Xiaoping is the general architect of China's reform and opening up. By translating this works, Vietnam has contributed to improving friendship and mutual understanding between the two countries.

The Vietnamese edition was recently published by the Vietnamese State Political Publishing House. In its "Preface to the Publication," the publisher said: "The works by Comrade Deng Xiaoping, a well-known leader of the Chinese people, not only explain the theoretical foundation and practice of the line of reform and opening up but also profoundly sum up valuable experiences and lessons. It points out the general direction for the Chinese people to continue pushing the cause of their reform and opening up to ultimate victory.

The preface praises: In the last 17 years, the Chinese people "have scored tremendous achievements and brought about fundamental changes to society by following the line of reform and opening up."

It points out: "Vietnam and China are vigorously carrying out reform and opening up to build socialism that suits their specific conditions and environment. It is extremely necessary and useful to study and learn from each other's experience and enhance mutual understanding."

CPC Delegation Meets Vietnam Party Officials

OW0705102895 Beijing XINHUA Domestic Service in Chinese 0123 GMT 5 May 95

[By reporters Huang Haimin (7806 3189 2404) and Ling Dequan (0407 1795 2938)]

[FBIS Transcribed Text] Hanoi, 4 May (XINHUA)—Dao Duy Tung, a member of the Communist Party of Vietnam [CPV] Central Committee Political Bureau and executive secretary of the CPV Central Committee Secretariat, met the CPC Central Committee Propaganda Department delegation led by its deputy head, Zhai Taifeng, here on 4 May.

Dao Duy Tung indicated during the meeting that ideological and cultural exchanges between Vietnam and China and between the CPC and CPV have been beneficial. He expressed the hope that both sides will contribute toward enhancing traditional friendship between people of the two countries by strengthening contacts and exchanges.

Dao Duy Tung briefed the delegation on the CPV's results since it adopted the line of reform and opening up as well as conditions in exploring building socialism with Vietnamese characteristics.

Zhai Taifeng said that China and Vietnam and the CPC and CPV share many common points in constructing their own socialist undertakings. He indicated that strengthening contacts and exchanges between the two sides will be conducive to pushing the traditional friendship between the two nations to a new level.

Chinese Ambassador to Vietnam Zhang Qing was present at the meeting.

The CPC Central Committee Propaganda Department delegation arrived in Hanoi on 2 May to begin a nine-day friendly visit.

He Deng and He Xue Hai [both names as transliterated], respectively chief and deputy chief of the CPV Central Committee Ideological and Cultural Department, met and held talks with the delegation on 2 and 3 May.

Near East & South Asia

Vice Premier Li Lanqing Meets Egyptian Newsmen

OW0805092795 Beijing XINHUA in English 0734 GMT 8 May 95

[FBIS Transcribed Text] Beijing, MAY 8 (XINHUA)—Chinese Vice-Premier Li Lanqing met with Ibrahim

Nafie [name as received], editor-in-chief of the Egyptian newspaper AL-AHRAM, and his party here today.

Li answered the visitors' questions ranging from Sino-Egyptian relations and the Middle East peace process to China's target of economic development.

Nafie, also president of the Egyptian Association of Journalists, and his delegation are here as guests of China's Press and Publications Administration.

New Delhi Report Cited on Ties, Border Situation

OW0805063295 Beijing XINHUA in English 0543 GMT 8 May 95

[FBIS Transcribed Text] New Delhi, May 8 (XINHUA)—The India-China ties continued to improve steadily and have expanded into new areas of cooperation, said the annual report of the External Affairs Ministry.

The report, which was available here today, said that the government is working for the establishment of a long term, stable and good neighborly relations with China.

The momentum of high level political dialogue is maintained to expand cooperation and create a favorable climate in which the two countries can work for the resolution of outstanding issues.

The situation along the Sino-India border remained peaceful while the Joint Working Group on the Boundary Question held discussions aimed at arriving at a fair, reasonable and mutually acceptable solution to the border dispute, the report said.

The two countries succeeded in their efforts to enhance the economic content of their relations. In the first nine months of 1994, the total volume of trade was 593 million US dollars, an increase of 29.5 percent over the corresponding period last year.

The two countries also agreed in principle to open more points for border trade, the report added.

Pakistan Air Chief Returns Home After Visit

OW0705145695 Beijing XINHUA in English 1438 GMT 7 May 95

[FBIS Transcribed Text] Islamabad, May 7 (XINHUA)—Pakistan Air Chief Marshal Muhammad Abbas returned here today after a fortnight visit to China.

According to a press release, while in China the chief of the air staff visited the headquarters of the China Aero-Technology Import and Export Corporation.

The Pakistan air chief called on his Chinese counterpart Lieutenant General Yu Zhenwu and they discussed matters of mutual interest.

He also called on General Chi Haotian, Chinese defense minister, and exchanged views on professional matters with him.

He visited a division of the Chinese air force and witnessed a spectacular air display that was arranged in his honor.

Sub-Saharan Africa

Beijing Donates Sports Equipment to Africa Games

OW0405163895 Beijing XINHUA in English 1451
GMT 4 May 95

[FBIS Transcribed Text] Harare, May 4 (XINHUA)—The Chinese government donated zimdollars [word as received] one million (USD 125,000) worth of sport equipment this morning to the All Africa Games scheduled for September in Harare this year.

Chinese Ambassador to Zimbabwe Gu Xiner, on behalf of the Chinese government, handed over the equipment to Zimbabwean Minister of Sport and Recreation Witness Mangwende.

The donation comprises 12 table tennis tables, 24 table tennis nets and scoreboards, 2,000 tennis balls, 50 toss coins, 20 volleyballs and basketballs and a complete set of gymnastics equipment.

Ambassador Gu Xiner said at the donation ceremony that the provision of the equipment may be simple but not insignificant in view of the All Africa Games.

He said it is China's sincere wish and belief that Zimbabwe would not only host the games but host them successfully and would achieve outstanding results.

The Zimbabwean minister said the equipment is a gift that emerged from an agreement signed between the two governments two years ago when the Chinese deputy minister for foreign affairs visited Zimbabwe for discussions about the assistance.

He said under the same cultural agreement China had, as world champions in swimming, table tennis and gymnastics, sent to Zimbabwe three professional full-time coaches to help prepare the country's teams for the continental sporting gala.

"The equipment here worth over zimdollars one million or so, is important to us not only because we are preparing for the All Africa Games but more than that it is the basis with which we will develop sport in future," the minister said.

CPPCC Vice Chairperson Meets Cameroon Minister

OW0605123695 Beijing XINHUA in English 1119
GMT 6 May 95

[FBIS Transcribed Text] Beijing, May 6 (XINHUA)—Qian Zhengying, Vice-Chairperson of the National Committee of the Chinese People's Political Consultative

Conference (CPPCC), met with visiting Cameroon Minister of Youth and Sports Bipoun Woum Joseph Marie here today.

Wang Guangying Meets Cameroonians

OW0805120395 Beijing XINHUA in English 1119
GMT 8 May 95

[FBIS Transcribed Text] Beijing, May 8 (XINHUA)—Wang Guangying, vice-chairman of China's National People's Congress Standing Committee, met with a government cultural delegation from Cameroon led by its Minister of Culture Toko Mangan here this afternoon.

The visitors arrived here on May 6 as guest of the Chinese Ministry of Culture. Their visit to China is designed to acquaint themselves with the cultural development in China.

Liu Deyou, vice-minister of Culture, held working talks here this morning with Mangan and his party.

West Europe

Jiang Zemin, Li Peng Congratulate France's Chirac

OW0805114495 Beijing XINHUA in English 1133
GMT 8 May 95

[FBIS Transcribed Text] Beijing, May 8 (XINHUA)—Chinese President Jiang Zemin and Premier Li Peng sent congratulatory telegrams separately to the newly elected President of France, Jacques Chirac.

Chinese Foreign Ministry Spokesman Shen Guofang said this while commenting on Chirac's success in the presidential election.

Shen said, China and France enjoy very good relations at present. "It is our hope and belief that the friendly cooperative relations between China and France in various areas will surely be extended during Chirac's tenure as the French president," he noted.

CPPCC Leader Wu Xueqian Meets German Visitors

OW3004135795 Beijing XINHUA in English 1326
GMT 30 Apr 95

[FBIS Transcribed Text] Beijing, April 30 (XINHUA)—Wu Xueqian, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), met here today with Holger Borner, chairman of the board of the German Ebert Foundation, and his party.

Wu is also president of the Chinese Association for International Understanding (CAFIU), which established ties with the Ebert Foundation in 1981.

The German visitor arrived in Beijing today at the CAFIU's invitation.

Long March Rocket To Carry German Satellite in '97

OW0505173495 Beijing XINHUA in English 1705 GMT 5 May 95

[FBIS Transcribed Text] Beijing, May 5 (XINHUA)—The China Great Wall Industry Corporation (CGWIC) and Daimler-Benz Aerospace AG of Germany signed a contract here this evening for the launching of a Nahuel telecommunications satellite.

Sources at the CGWIC said that the Nahuel satellite has been jointly developed by the Daimler-Benz Aerospace and French Aerospace companies, and it will be used for the satellite telecommunications business of Argentina.

According to the launch services contract, the satellite will be launched at the Xichang Satellite Launching Center in 1997 on a Long March 3C launch vehicle.

The sources said that the LM-3C carrier rocket is a new member of the Long March family, in addition to the LM-3A and 3B launch vehicles. It was developed on the basis of the design of the LM-3B in almost all aspects except that the LM-3C has two strap-on boosters, while the LM-3B has four. With the capability of injecting a payload of 3,700 kg into Geostationary Transfer Orbit, the LM-3C is capable of fulfilling different launch mission requirements.

The contract was signed by Liu Zhixiong, vice-president of the CGWIC and Wolf-Peter Denker, vice-president of Daimler-Benz Aerospace and president of the Satellite Systems Division, Daimler-Benz Aerospace AG.

Chinese State Councilor Song Jian and some other senior officials were also present at the signing ceremony.

Wu Yi Meets Swiss Economics Minister

OW0705113095 Beijing XINHUA Domestic Service in Chinese 0154 GMT 6 May 95

[FBIS Translated Text] Geneva, 5 May (XINHUA)—Jean-Pascal Delamuraz, Swiss vice president and chief of public economy, held talks with Wu Yi, head of the Chinese economic and trade delegation and minister of foreign trade and economic cooperation, in Lausanne this afternoon.

Both Delamuraz and Wu gave positive appraisal of the development of bilateral relations. Delamuraz said relations between the two countries are quite good in both economic and trade and investment aspects. Wu Yi said that the exchange of visits between leaders of the two countries has increased mutual understanding and cooperation and that bilateral relations have developed to a new level this year.

Wu Yi briefed Delamuraz on China's economic situation and some of the policy issues of reform and opening up. Delamuraz said: The Chinese economy has been developing at a high speed. At the same time, Chinese leaders are carrying out prudent regulation and management of the economy. This has produced results beyond people's expectations.

East Europe

Leaders Meet Visiting Polish Officials

Governor Meets Vice Prime Minister

HK2804151195 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 11 Apr 95

[FBIS Translated Text] On the afternoon of 11 April, Governor Ruan Chongwu met with visiting Polish Vice Prime Minister Aleksander Luczak, who is concurrently chairman of the State Scientific Research Commission, and the Polish Government's science and technology delegation accompanying him. Governor Ruan expressed his welcome to the guests.

At the meeting, Ruan Chongwu briefed the guests on the situation of scientific research, technological development, tropical crops, tourism, and economic development in Hainan. Vice Prime Minister Luczak expressed his appreciation of Hainan's development of tourism, planning, scientific research, and application of research results.

The two sides exchanged opinions on issues of common interest and expressed their willingness to increase economic, scientific, and technological cooperation and exchanges. The Polish delegation paid the visit at the invitation of the State Science and Technology Commission of China. In Hainan, they visited some high-tech development zone and high-tech enterprises, and inquired about the development of scientific research and the application of research results.

Wan Guoquan Meets Polish Senate Speaker

OW0505111295 Beijing XINHUA in English 1055 GMT 5 May 95

[FBIS Transcribed Text] Beijing, May 5 (XINHUA)—Wan Guoquan, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), met with Adam Struzik, speaker of the Polish Senate, and his ten-member party here this evening.

The Polish guests arrived here this morning for a week-long visit at the invitation of the CPPCC national committee.

After the meeting, Wan hosted a dinner in honor of Speaker Struzik, Mrs. Struzik and other Polish guests.

Li Ruihuan Meets Senate Speaker

OW0705093495 Beijing XINHUA in English 0824
GMT 7 May 95

[FBIS Transcribed Text] Beijing, May 7 (XINHUA)—Li Ruihuan, chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), said here today that China places great importance on developing ties with Poland.

Meeting with Adam Struzik, speaker of the Senate of Poland, and his party here today, Li noted while China and Poland are far apart geographically, their peoples' traditional friendship goes back to ancient times.

Li said that the long-term Sino-Polish friendship and cooperation conform not only to the development trend of the world, but also to the interests and aspirations of the two peoples.

He expressed the belief that Struzik's visit is of great importance to deepening mutual understanding and promoting bilateral cooperation.

Li said that China follows closely with the development of Poland, respects the Polish people's choice of way to build up their country and hopes to maintain and develop the existing bilateral friendly cooperation.

Struzik said that Poland attaches great importance to developing its relationship with China and held that every country should choose its own path to development in the light of its actual conditions.

He said Poland desires to develop its ties with the Asian countries, including China, as well as the European nations.

He called China Poland's best partner of cooperation in Asia, saying that Poland is pleased to see all of China's achievements.

Referring to increasing contacts between the two countries, Struzik said he expected the two nations to learn from each other, do their best to boost national economies and strengthen cooperation in international affairs.

Vice-Chairman Wan Guoquan and Secretary-General Zhu Xun of the CPPCC National Committee, attended the meeting.

After the meeting, Li hosted a banquet in honor of Struzik and his party.

Qiao Shi Meets Senate Speaker

OW0705130395 Beijing XINHUA in English 1236
GMT 7 May 95

[FBIS Transcribed Text] Beijing, May 7 (XINHUA)—Qiao Shi, member of the Standing Committee of the Political Bureau of the Chinese Communist Party (CPC) Central Committee, today called for strengthened ties of friendship between China and Poland, and the CPC and the Polish Peasant Party (PPP).

Qiao, also chairman of the Standing Committee of the Chinese National People's Congress (NPC), told Adam Struzik, visiting speaker of the Polish Senate and member of the PPP Supreme Council, that the relations of friendly cooperation between NPC and the Polish Parliament should be enhanced as well.

China and Poland, though far away from each other, have been enjoying satisfactory relations and the friendship between the two peoples has been existed for a long time, Qiao said, adding that such relations and friendship should be further consolidated and developed under the present circumstances.

In addition, the two countries should also augment their contacts in various fields such as politics, economy and trade and culture, Qiao noted.

He expressed the belief that the NPC and the Polish Parliament can play a major role in promoting the friendship and mutually beneficial cooperation between the two peoples.

On relations between the CPC and the PPP, Qiao said the two parties should establish and develop ties based on the four principles of party-to-party relations.

Struzik said that the visit constitutes part of the active growth of Poland-China interchanges. Poland values its relations with China, and puts much emphasis on its ties with the NPC and the CPC, he said.

Briefing Qiao on Poland's foreign policy, Struzik noted that his country wishes to cooperate with Asian countries, and regards China as its most important partner.

Struzik and his party arrived here May 5 at the invitation of the China's National People's Political Consultative Conference.

During his stay here, Struzik met with Li Shuzheng, head of the International Liaison Department of the CPC Central Committee. The two sides exchanged views on relations between the two parties.

Political & Social**Continuing Reportage on NPC Committee Session****Session Hears Draft Laws***OW0605125995 Beijing XINHUA Domestic Service in Chinese 1123 GMT 5 May 95*

[FBIS Translated Text] Beijing, 5 May (XINHUA)—The 13th Standing Committee Session of the Eighth National People's Congress [NPC] started today at the Great Hall of the People today.

Chairman Qiao Shi presided over today's full session.

According to the agenda adopted by the session, vice chairmen of the NPC Law Committee Li Yining, Cai Cheng, and Xiang Chunyi will submit reports on deliberations of three draft laws on commercial banks, People's Liberation Army reserve officers, and negotiable notes. The three draft laws were deliberated in previous NPC standing committee sessions and the revised drafts had been sent to the standing committees of people's congress of the various provinces, autonomous regions, and municipalities directly under the central government and other relevant departments to solicit their views. The Law Committee maintains the three draft laws, which have undergone numerous revisions, are by and large feasible and it therefore recommends that they be adopted after further deliberations and revisions.

Entrusted by Chairman Qiao, Chairman Gu Angran of the NPC Standing Committee's Legislative Affairs Commission gave an explanation on a draft decision on punishing offenses that undermine order in the banking sector. He said: As China deepens reform, opens wider to the outside world, and shifts toward a socialist market economy, many new offenses have emerged in the economic sector. It is therefore necessary to expand and revise provisions in the Criminal Law related to economic offenses. The NPC Standing Committee's Legislative Affairs Commission, the State Council's Bureau of Legislative Affairs, and the People's Bank of China have undertaken a joint study on crimes in the banking sector and solicited views of relevant departments, banking organizations, and legal experts. They have drafted a decision on punishing offenses that undermine order in the banking sector that provides supplementary provisions and revisions in the Criminal Law on punishment for forging and selling counterfeit state currencies, forging checks, as well as speculation, profiteering, and fraud in violation of banking regulations.

Premier Li Peng submitted a draft law on energy conservation for deliberations by the NPC Standing Committee. Chen Jinhua, minister in charge of the State Planning Commission, gave an explanation on the draft law on behalf of the State Council before the session.

On behalf of the State Council, Vice Foreign Minister Tang Shuxuan presented two consular treaties with Peru and Azerbaijan for ratification. He also gave an explanation at today's session.

Attending the meeting were vice chairmen Tian Jiyun, Wang Hanbin, Ni Zhifu, Chen Muhua, Fei Xiaotong, Sun Qimeng, Lei Jieqiong, Li Ximing, Wang Bingqian, Wang Guangying, Cheng Siyuan, Buhe, Tomur Dawamat, Li Peiyao; and Secretary General Cao Zhi.

Present as observers were State Councillor Li Guixian; Gao Changli, vice president of the Supreme People's Court; and Zhang Siqing, chief procurator of the Supreme People's Procuratorate.

Legislators To Review Bank Law*OW0505135795 Beijing XINHUA in English 1334 GMT 5 May 95*

[FBIS Transcribed Text] Beijing, May 5 (XINHUA)—Following two deliberation sessions, the Commercial Bank Law (draft) was submitted today to the 13th meeting of the National People's Congress (NPC) Standing Committee, China's highest legislature.

Li Yining, vice-chairman of the NPC Law Committee, reported to the meeting that the revised draft has made stricter regulations on protecting the legal rights of commercial banks and depositors.

Li said that the freezing of savings can affect the life of depositors or the production of work units. Freezing decrees can only be given by law-enforcement departments, not by government organs.

In addition, inquiries about personal savings must be strictly controlled because they violate personal secrecy, Li said.

The draft also stipulates that commercial banks shall not invest in domestic enterprises (including non-bank financial institutions). Otherwise, the interests of depositors may be damaged or capital construction may get out of control.

The draft has added a regulation to prohibit commercial banks raising interest rates of deposits and loans to avoid unfair competition.

Posters Demand Details of Wang Baosen Case*IHK0605052995 Hong Kong LIEN HO PAO in Chinese 6 May 95 p 2*

[Report by anonymous special correspondent from Beijing: "Wei Jianxing Announces That Beijing Municipal Party and Government Leading Groups Will Remain Unchanged for the Time Being; Zhang Baifa Expands His Power To Take Over Some Jobs Formerly Handled by Wang Baosen"]

[FBIS Translated Text] It has been 10 days since Political Bureau member Wei Jianxing took office as Beijing municipal party committee secretary. He has made an announcement that the leading groups of the Beijing municipal party committee and government will remain unchanged for the time being. Zhang Baifa, as vice

mayor in charge of routine affairs, will take over some jobs formerly handled by Wang Baosen, who committed suicide earlier. Zhang will be responsible for day-to-day affairs of the municipal government. Wei Jianxing has transferred only one of his subordinates to the municipal party committee as a cadre of its standing committee.

Earlier, word spread among Beijing officials that Huang Jicheng, assistant to the former mayor and currently vice chairman of the municipal committee of the Chinese People's Political Consultative Conference [CPPCC], was under investigation, but now this has been proven groundless. However, former subordinates under Wang Baosen, and responsible officials of the municipal planning commission, municipal financial bureau, and municipal banking departments are under investigation.

It has been initially verified that Wang Baosen was involved in the Zhou Beifang case; at the same time, Wang Baosen had committed economic crimes himself.

Recently, major officials of Beijing municipality have appeared together with Wei Jianxing, one after another, to demonstrate their being stable and innocent.

Those who have made their public appearances include Zhang Jianmin, the municipal people's congress chairman, and Wang Daming, the municipal CPPCC chairman.

Those among the municipal party committee who have made public appearances include Deputy Secretaries Li Zhijian and Chen Guangwen; Wang Tong, secretary of the municipal politics and law commission; Ouyang Wenan, secretary of the municipal financial and trade work committee; Yang Chaoshi, head of the organizational department; Qiang Wei, head of the propaganda department; Li Yong'an, secretary of the commission for discipline inspection; and Duan Bingren, secretary-general of the municipal party committee.

From the municipal government, aside from Mayor Li Qiyang, and Vice Mayor Zhang Baifa, who is in charge of routine affairs, those who have made appearances include Vice Mayors Lu Yucheng, He Luli, Li Runwu, and Meng Xuenong, as well as Fan Yuanmou, secretary-general of the municipal government. Vice Mayor Duan Qiang, who is in charge of agriculture, and Vice Mayor Hu Zhaoguang, who is in charge of science and technology, have not yet made their public appearances, but they have been working normally.

On separate occasions recently, Jiang Zemin and Li Peng have met with Beijing's cadres at and above the vice mayor level, and have talked at length on stabilizing the cadre contingent. At the same time, they have revealed the case of Wang Baosen and Chen Xitong's major mistakes.

Big-character posters have surfaced on some campuses in Beijing, requiring that the Wang Baosen case be made public. At the same time, Beijing cadres also have strongly made the same demand; nevertheless, Wei

Jianxing is for maintaining stability for the time being, believing that it would be inappropriate to make a case public before being investigated thoroughly. As for other officials involved in the case, their conditions also should undergo thorough investigation before being revealed to the public. For the time being, stability is called for.

Since Wei Jianxing took office as secretary of Beijing municipal party committee, he has taken only Liu Fengjun [0491 6646 0689] along with him. Liu is said to have been Wei Jianxing's secretary, and he was formerly secretary-general of the All-China Federation of Trade Unions.

Deng's Wife Attempts Suicide Over Questioning

OW0605081295 Tokyo TOKYO SHIMBUN in Japanese 5 May 95 Morning Edition p 5

[By correspondent Nonihisa Sawaki]

[FBIS Translated Text] Beijing, 4 May—An informed Chinese source disclosed on 4 May that Zhou Lin (79), wife of Deng Xiaoping (90), recently attempted suicide. The Chinese Government recently launched a crackdown on the massive economic corruption in Beijing, and her second son Deng Zhifang was suspected of being involved in the economic corruption. The source presumed that Zhou Lin attempted suicide after agonizing over the suspicion cast on her second son.

In late April, a Hong Kong newspaper reported "Zhou Lin was hospitalized for treatment of an illness." At about that time, Deng's sons are said to have been asked not to travel at home or abroad. According to the same source, Zhou Lin is now resting at her home.

In the anti-corruption campaign launched in February, Zhou Beifang, president of the "Shougang International Enterprise Corporation," a subsidiary in Hong Kong of the Shoudu Steel Corporation that Deng Xiaoping once hailed as a model of state enterprise reform, was arrested. In April, Wang Baosen, vice mayor of Beijing City, killed himself after being interrogated by the authorities. Chen Xitong, secretary of Beijing City, was also dismissed.

It is said that the crackdown has been targeting sons and daughters of senior Chinese leaders amid growing indications that much of the economic corruption is intertwined. Deng Zhifang maintained close ties with Zhou Beifang while serving as president of a real estate company in Hong Kong that is affiliated with the Shoudu Steel Corporation, and administrative president of the Shougang Sifang Corporation. The Chinese informed source said Deng Zhifang had been questioned by the authorities.

Jiang, Others Greet Zhu Jizhan's Birthday

OW0505140495 Beijing XINHUA in English 1351 GMT 5 May 95

[FBIS Transcribed Text] Shanghai, May 5 (XINHUA)—Zhu Jizhan, a master of traditional Chinese painting, celebrated his 105th birthday here today.

Over 600 domestic and overseas guests came for the occasion, which also marked the opening of the master's painting exhibition in a newly completed art gallery named after him.

With an investment of 13 million yuan from the Hongkou District Government, the 1,500-sq-m three-storey gallery, situated in Lu Xun Park in the northeast of urban Shanghai, was built to commemorate the painter's remarkable contributions to the development of traditional Chinese painting.

Chinese President Jiang Zemin and Vice-Premiers Zhu Rongji and Wu Bangguo sent baskets of fresh flowers to the master painter.

Zhu donated to the gallery 190 valuable paintings and 60 calligraphical works, including some from the Tang (618-907) to the Qing (1644-1911) dynasties, as well as his own 100 paintings.

Among the guests were painters from Japan, the United States, Sweden, Singapore, and Hong Kong and Taiwan regions.

Primary school students from Shanghai and neighboring provinces and cities sent cards and gifts made by themselves for the occasions.

Vice Premier Li on Educational Development
SK0605042895 Shijiazhuang HEBEI RIBAO in Chinese 16 Mar 95 p 1

[Article by reporters Han Shaojun (7281 4801 0689) and Zhang He (1728 7729): "Vice Premier Li Lanqing Discusses the PRC Law on Education With the Hebei Deputation to the National People's Congress Session"]

[FBIS Translated Text] On the morning of 15 March at a meeting of the Hebei deputation to examine and discuss the PRC (draft) law on education, Li Lanqing, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, pointed out that we should positively promote education, comprehensively administer educational affairs according to law, ensure to make the development of education a strategic priority, deepen the educational reform, increase the input in education, optimize the distribution of educational resources, and promote a sound development of education.

At the meeting, Deputies Zhu Zhiwu and Ye Liansong said: The formulation of the law on education is of extremely important significance to ensuring to make educational development a strategic priority, setting up an educational system and an operational mechanism suited to the market economic system, and comprehensively administering educational affairs according to the law. The formulation of this law is a great matter that all social circles have looked forward to for a long period of time. Deputies Liu Ren, Lu Chuanzan, and Kang Qingde said that ensuring an increase in the input in education

in line with a legislative form is an issue that the people have greatly been concerned with as well as a key issue of making educational development a strategic priority. To this end, Li Lanqing pointed out: In formulating the "(draft) law on education," we conscientiously analyzed and studied this issue and also worked out relevant regulations.

Li Lanqing stressed: The key to increasing the input in education and developing education is that whether or not the leaders at various levels can really make educational development a strategic priority. So long as we upgrade our understanding will we be able to positively think of ways to solve problems. What should we pay attention to is that there are both strains on educational funds and problems due to unreasonable use of capital. Through reforms, we should give full scopes to the functions of educational facilities, scientific research equipment, and books and reference materials; optimize the distribution of educational resources; and improve school-running efficiency and teaching quality.

Deputies Yuan Shutian and Liu Jinyu said: Over the past years, our province has made rapid development in vocational education, particularly the rural vocational education. All of the province's counties, totaling 139, have set up vocational education centers, which become local training, scientific research, and educational popularization centers and have cultivated a large number of skilled persons suitable to the local economic development. Li Lanqing fully affirmed this. He said: Fundamentally speaking, the rural economic development depends on the improvement of the peasants' quality. Agrotechnology, no matter how good it is, must be grasped by persons. Therefore, we should vigorously develop vocational education in rural areas and combine agriculture with science and education. Li Lanqing also stressed: In developing the basic primary and middle school education, we should comprehensively implement the party's policy on education; reduce primary and middle schools' schoolwork; and comprehensively promote the moral, intellectual, and physical development of students. We should continue to improve the teachers' treatment, advocate a social atmosphere of respecting teachers and valuing education, and stabilize the ranks of teachers. We should pay attention to and support the development of teachers' education in an effort to forcefully support basic education.

Li Lanqing Calls For Reform in Higher Education
OW0605141595 Beijing XINHUA Domestic Service in Chinese 1501 GMT 5 May 95

[By reporter Zhu Youdi (2612 1635 2769)]

[FBIS Translated Text] Beijing, 5 May (XINHUA)—State Council Vice Premier Li Lanqing held a forum with responsible people of relevant departments and people from the educational circle at Zhongnanhai today. In discussing the issues concerning stepping up the reform of the higher education system, he proposed

to vigorously advance China's higher education reform, so that the managerial level and efficiency as well as teaching quality in China's higher education will be further improved.

Li Lanqing said: Since the promulgation of the "Outline for the Reform and Development of Education in China," particularly since last year's national educational work conference, China has constantly deepened the reform of the higher education system and has scored achievements. However, the higher education system reform awaits further deepening. To further improve higher education in China, not only should the government gradually increase investments, optimization of the allocation of existing educational resources, and full utilization of such resources through reform, but the unified running of schools in various forms, joint construction and administration, rational readjustment, conditionally combined operations of institutions of higher learning, and other methods suitable to China's reality are also necessary to improve the teaching quality and operating efficiency of higher education. To further promote the reform of higher education in China, the State Education Commission especially held a meeting on this issue last November, and drafted "Several Opinions on Deepening the Reform of the Higher Education System." To make this important document even better and feasible, it is necessary to again solicit opinions from people concerned.

Forum participants said: The reform of the higher education system is one of the important tasks in the current education reform. It is imperative to exercise greater efforts in the reform and make clear the reform's ways and orientation as proposed in the document. Participants have submitted many opinions and suggestions on the overall planning and rational readjustment of institutions of higher learning and of the regional and structural layout for specialized subjects; the unified, joint, and combined operations of institutions of higher learning; the practice of the credit system and variable curriculum system in recruiting students for institutions of higher learning; improving teachers' training and increasing the channels for training teachers; problems on rectifying current practice of commissioning or being commissioned to train personnel; and the revision to the document.

Li Lanqing said: In recent years, some local institutions of higher learning broke free from the original system of each region and department managing its own affairs and took the road of unified and combined operations. The effect is generally good. The reform of the management system for higher education has overall impact on the development of higher education in China and involves the layout and structure of institutions of higher learning, the division of work and responsibility between central and local authorities, and relations between governments and schools. This reform should be conducive to bringing about an even more rational structure and layout of higher education; be more suitable to the needs

of China's social, economic, scientific, and cultural development; and constantly improve the teaching quality, academic level, and operating efficiency. In the course of reform, we should not only actively probe new ways, but also take effective measures and do meticulous work at a steady pace. In reforming the management system for higher education, the State Education Commission should strengthen overall coordination, planning, and guidance. It must take measures to gradually solve the problems of decentralized school operations, overlapping in low-level "small and complete" projects, and low operating efficiency. To those universities and colleges subject to the administration of departments concerned before the change of the system, the competent authorities should not relax their leadership, they should all the more offer as much support as possible to make school-running more successful. While recruiting students, universities and colleges should act according to their capability and not recruit more students than they can accept. They should strengthen the reform of the schools' internal management mechanism; readjust and rationalize the channels for investing in institutions of higher learning; and implement the principle of developing moral, intellectual, and physical education in an all-round way, so as to further improve the managerial level, teaching quality, and operating efficiency of higher education in China.

Also attending the forum were Qian Weichang, vice chairman of the Chinese People's Political Consultative Conference [CPPCC] National Committee; and responsible people from the relevant departments of the National People's Congress and CPPCC National Committee, as well as relevant departments and localities.

Li Ruihuan, Leaders Attend 'Championships'

OW0805091095 Beijing XINHUA Domestic Service in Chinese 1504 GMT 7 May 95

[By reporter Jing Ruyue (2529 1172 2588) and Li Jing (2621 7231)]

[FBIS Translated Excerpt] Tianjin, 7 May (XINHUA)—The Chinese women's table tennis team scored a 3-0 victory over the Republic of Korea to win the women's team title at the 43d World Table Tennis Championships in the Tianjin Stadium this evening, after winning all 10 matches during the tournament. This is the 11th time for the Chinese to take the Corbillon Cup, setting a new record in the history of the World Table Tennis Championship in terms of total number of cup winnings.

When Chinese women's team head coach Zhang Xielin took the Corbillon Cup from (Albetini), chairman of the French Table Tennis Association, warm applause broke out among the more than 10,000 spectators.

Li Ruihuan, member of the standing committee of the CPC Central Committee Political Bureau and chairman of the Chinese People's Political Consultative Conference National Committee, awarded a golden plaque to the team.

Li Lanqing, Li Tieying, Wan Li, and Peng Peiyun watched the match. [passage omitted on game proceedings]

Ren Jianxin Greets Founding of Association

OW0505141295 Beijing XINHUA in English 1359 GMT 5 May 95

[FBIS Transcribed Text] Beijing, May 5 (XINHUA)—The China Association of Criminal Science and Technology was inaugurated here Thursday [4 May].

The association is a nationwide professional body under the auspices of the Ministry of Public Security. It is composed of specialists in criminal science and experienced policemen.

Former ministers of public security Wang Fang and Liu Fuzhi were elected as honorary presidents, and Liu Wen as the president of the association.

Ren Jianxin, president of the Supreme Court, sent a letter of congratulations to the association.

Criminal science is a new discipline involving many subjects. It has been widely used in criminal detection and is considered an important weapon in crime prevention.

So far, more than 30,000 technicians in 60 institutions across China are engaged in the study of criminal science.

Rong Yiren Inspects Jiangsu Province

OW0605133695 Beijing XINHUA in English 1322 GMT 6 May 95

[FBIS Transcribed Text] Nanjing, May 6 (XINHUA)—Vice-President Rong Yiren said placing equal emphasis on material progress and ideological and cultural progress is a long-term strategy for running China well and ensuring peace and security.

While inspecting east China's Jiangsu Province from April 26 to May 6, Rong noted that only by doing so, "shall we be able to ensure a sustained, rapid and sound growth of the national economy, and constantly improve the ideological and cultural quality of the entire Chinese nation."

With the stepping up of the reform and faster economic growth, it is all the more necessary to promote ideological and cultural progress, and improve all facets of social security, he told local officials and people.

The vice-president stressed the importance of improving education in patriotism, collectivism, socialism and moral standards, and enhancing the awareness of abiding by the laws.

"Meanwhile, we must relentlessly crack down on all sorts of criminal activities; only in this way shall we be able to achieve long-term stability and prosperity in our country," he said.

During his stay in Jiangsu, Rong visited economic development zones, wharves, and centers for the production of grain, vegetables and fresh-water fish in the scenic cities of Wuxi and Suzhou.

He also visited a construction site in the Singapore Industrial Park in Suzhou. "Industrial growth is inseparable from the development of agriculture, the foundation of China's economy, and expansion of the service sector," he said.

He called for efforts to achieve coordinated growth between the farming sector, manufacturing industry and the service sector.

Rong said that tremendous efforts have to be made to make sure that the production of grain, vegetables, and other farm and sideline products meets the needs of the ever-increasing population and the improvement of the people's living standards.

He also aired his views on how to control the pollution of Taihu Lake, protect and build the Taihu Lake scenic area and expand the local tourism industry.

Yuan Mu Retires; Replaced by Wang Mengkui

HK0805060295 Hong Kong LIEN HO PAO in Chinese 6 May 95 p 2

[Report: "Yuan Mu Officially Retired Before Labor Day, and Wang Mingkui Replaced Him as Director of the State Council's Research Office"]

[FBIS Translated Text] Yuan Mu officially retired before International Labor Day on 1 May, and no longer occupies the important post of director of the State Council's Research Office. Wang Mengkui, former deputy director of the office, was appointed to succeed Yuan Mu.

Yuan Mu, who retired shortly before the anniversary of the 4 June incident, is now only a member of the Standing Committee of the National Committee of the Chinese People's Political Consultative Conference and chairman of the Association for the Prevention and Cure of Venereal Disease and AIDS.

Yuan Mu was 68 last January, three years above the retirement age limit for ministerial-level officials in the State Council. After finishing his studies in Fudan University, he worked as a reporter for a number of newspapers and then became a reporter for the XINHUA News Agency. The highest position he held in XINHUA was deputy leader of the Group for Domestic Political, Cultural, and Education Affairs.

During the Cultural Revolution, Yuan Mu was appreciated by Ji Dengkui, a member of the CPC Central Political Bureau in those years, and was transferred to be Ji's personal secretary. He was then appointed leader of the Investigation and Study Group of the CPC Central Organization Department. After minor setbacks, he rose again and was successively appointed leader of the

Investigation and Study Office of the State Council, assistant to the secretary general of the State Council, deputy secretary general of the CPC Central Financial and Economic Leading Group, and spokesman for the State Council. In 1988 he was appointed director of the Research Office of the State Council.

Yuan Mu was famous for being good at defending his position during the 4 June incident in 1989, and became a well-known figure to people at home and abroad. In recent years, he was left out in the cold, but still often published articles in major newspapers on his investigations and studies. His latest article, on enterprise reform, was published on 3 March in RENMIN RIBAO and JINGJI RIBAO and provoked another round of polemic with reform-minded theorists. His opinion was criticized by local officials and enterprise managers at the latest session of the National People's Congress. This might be the reason he was finally expelled from Zhongnanhai by Li Peng.

Wang Mengkui, 57, was born in Wenxian of Henan and graduated from the Economics Department of Beijing University. In the past he was editor of HONGQI, and was later transferred to the CPC Central Secretariat as a researcher and deputy leader of the Economic Affairs Group. Then he was appointed deputy director of the State Planning Commission's Economic Center. In 1990 he was transferred to the State Council's Research Office as deputy director.

Wang Mengkui is a well-known writer. He has written the following articles: "Economy in the Initial Stage of Socialism," "Explorations of the Course of Socialism in Our Country," and "Factors and Countermeasures: Inflation."

Wang Mengkui cannot be regarded as a reform-minded theorist, but neither is he a conservative. He is just prudent, and can actively follow the ideas of the higher authorities. He was one of the main writers drafting a series of important documents after the 14th CPC National Congress and drafting the government work reports in the last five years.

Jiang, Li Write Inscriptions for Kong Fansen

OW0705132195 Beijing XINHUA in English 1305
GMT 7 May 95

[FBIS Transcribed Text] Beijing, May 7 (XINHUA)—Chinese President Jiang Zemin and Premier Li Peng recently wrote inscriptions for a late model official Kong Fansen, who dedicated his life to the building of Tibet.

Jiang's inscription reads: "learn from Comrade Kong Fansen", and Li's reads: "learn from Comrade Kong Fansen's spirit of loving the people and selfless devotion".

Kong was born in 1944 in east China's Shandong Province and died in a traffic accident last year while making an inspection tour of northwest China's Xinjiang Uygur Autonomous Region.

He was sent to work in southwest China's Tibet Autonomous Region twice, once in 1979 and again in 1988, and served as party secretary of Ngari Prefecture of Tibet when he died.

The "People's Daily" will also publish an editorial tomorrow to call upon all party members, especially officials, to learn from Kong.

The editorial says that Kong is the model of all officials and urges them to serve the people wholeheartedly, fight against corruption, be honest in performing their duties, practice frugality and work hard to promote reforms, development and stability.

Beijing Symposium Commemorates War Victory

OW0505140295 Beijing XINHUA in English 1309
GMT 5 May 95

[FBIS Transcribed Text] Beijing, May 5 (XINHUA)—A symposium was held here today to commemorate the 50th anniversary of the victories in China's War of Resistance against Japanese Aggression and the world anti-fascist war.

Attending were nearly 1,000 senior officers, experts and researchers from the Beijing-based units of the People's Liberation Army. The symposium was sponsored jointly by the Chinese Academy of Military Sciences and the China Society of Military Sciences.

In their speeches, experts and researchers stated that the World War II was both an unprecedented calamity and an outstanding review of the human intuitive knowledge and the progressive forces.

They agreed that the victory in the world anti-fascist war changed the world structure and provided an enormous impetus for faster political and economic reforms in the international community, and faster scientific and technological development worldwide.

One said, "We should draw wisdom and courage for safeguarding world peace from experience and lessons in the guidance provided by the strategies of World War II."

Participants also elaborated on China's War of Resistance against Japanese Aggression in the world anti-Fascist war.

They emphasized that the Chinese Communist Party was the mainstay in the War of Resistance against Japanese Aggression.

The struggles led by the Party in the rear of the invading Japanese army tied up large numbers of Japanese troops, backing the allied forces in their battles in the Asian, European and Pacific theaters of war.

In the War of Resistance against Japanese Aggression, The Party established and consolidated an anti-Japanese united front, formulated and implemented correct military strategies, and waged an extensive people's war.

Practice and theoretical creation in these areas made great contributions to the victory of the War of Resistance against Japanese Aggression and the world anti-fascist war.

'Marked Progress' Seen in Patent Law's Use

OW0605024995 Beijing XINHUA in English 0235
GMT 6 May 95

[FBIS Transcribed Text] Beijing, May 6 (XINHUA)—A recent inspection shows that China's local governments have made marked progress in implementing the Patent Law since it took effect ten years ago.

Beginning from last year, the Education, Science, Culture and Public Health Committee of the National People's Congress organized five groups to go on inspections in Shanghai City and Hunan, Guangdong, Shandong, Yunnan, Sichuan and Heilongjiang provinces.

The inspectors found that the localities have organized activities in the study of the Patent Law, and held training classes and lectures to make people know more about patent protection. Local law-enforcement departments have also set up special courts to protect intellectual property rights.

In 1985 when the Patent Law became effective, only 14,000 patent applications were registered in China. In 1994 more than 77,000 applications got registered.

As a result, officials with the committee came to the conclusion that the implementation of the law indeed aroused the initiative of inventors.

However, the officials pointed out that some problems must be tackled conscientiously. For example, some local people are still not fully aware of the importance of patent protection, and infringement cases occur from time to time.

At present, the local governments are taking active measures to deal with existing problems.

Circular Issued on Management of Cadre Training

OW0705102695 Beijing XINHUA Domestic Service in Chinese 0232 GMT 5 May 95

[FBIS Translated Text] Beijing, 5 May (XINHUA)—The CPC Central Committee Organization Department, the State Economics and Trade Commission, State Education Commission, the Finance Ministry, and the Personnel Ministry jointly issued the other day a circular, "Some Regulations on Strengthening Administration of Cadre Training."

The circular notes: Since the Third Plenary Session of the 11th CPC Central Committee and under the leadership of the CPC Central Committee and State Council, China has made rapid and remarkable progress in cadre training—in improving the quality of cadres and bringing up large numbers of skilled personnel—thanks to the common efforts of departments in charge of cadre

education, party schools, and cadre schools at all levels and the vast number of cadres responsible for cadre education, contributing to the nation's economic development; technical progress; and social development. Along with development of the socialist market economy and reform of the cadre and personnel systems, some new situations and problems have cropped up in cadre education. The major ones are: low quality of some training classes, some classes are run as a cover for irregularities, and some are run for profit and charge exorbitant fees. Some classes fail to obtain approval from any authority and issue illegal diplomas and job qualifications certificates. We must take these problems seriously.

For this reason, the regulations require that an organization that wants to run a cadre training class must, in accordance with the jurisdiction of cadre training, submit an application with the department responsible for cadre training. Only after the application is approved and listed in the plan can the class be started. The application should include prospective students, training programs, class location, funding sources, and fee standards.

The regulations point out that training classes outside Chinese borders with cadres as their principal prospective students are subject to the management of the State Bureau of Foreign Experts Affairs. All training classes outside Chinese borders, regardless of who is the sponsor, must be examined and approved by the bureau or reported to it for the record. No unit is allowed to run training classes outside Chinese borders under any name for the purpose of making a profit.

As for fees management, the circular notes that cadre training plans and quotas assigned by appropriate departments at higher levels must have a regular source of funding. Collection of unwarranted fees or shifting financial burdens are banned. In running training classes, we must adhere to the principle of frugality and do away with all irregularities. The practice of giving kickbacks to recruiters of students is banned, so is the use of luxury guest houses and hotels. In running classes, we must refrain from indulging in extravagance and waste, or using public funds for sightseeing or other high-consumption activities. Issuance of luxury consumer items or souvenirs to students is not allowed. Fee standards for certificate-oriented training should be set in accordance with the relevant regulations of the Finance Ministry, State Planning Commission, and State Education Commission. Fee standards should be made public, and fees collected should be used and managed in accordance with the regulations of local financial departments. Fee collecting units must consciously subject themselves to the supervision of financial, price, and auditing departments. Violators will be severely punished. In cases of gross violation, leadership departments and leaders of the sponsoring units will be investigated to determine culpability.

As for management over the issuance of certificates, the regulations point out that colleges and institutes undertaking job qualifications training must submit an application with the appropriate central and state departments and the provincial, autonomous regional, or municipal authorities in charge of cadre training for approval and report to the Central Organizational Department, the Personnel Ministry, and the State Education Commission for the record. It is necessary to strictly assess and certify academic certificates and job qualifications certificates issued by cadres schools and training institutes. Unauthorized issuance of diplomas and job qualifications certificates is banned. No statement on issuance of equivalent certificates should be included in general regulations on enrollment.

Nation To Draw Up Five-Year Plan for Disabled
OW0705141495 Beijing XINHUA in English 1340
GMT 7 May 95

[FBIS Transcribed Text] Beijing, May 7 (XINHUA)—China is actively drawing up a new five-year plan for the disabled people in order to enable the work to keep paces with a fast, sustainable development of its national economy and society.

A recent report from the China Disabled Persons' Federation says that the new plan of China's disabled work in the next five years (1996-2000) will enable all the disabled persons in the country to have sufficient food and clothes and to enjoy a colorful cultural life and better welfare conditions.

In the next five years, China is to carry out a new nationwide campaign to spread community recovery training throughout the country and to build key projects to have more than two million disabled persons rehabilitated, the report says, adding that it will also take more effective measures to reduce the occurrences of the disabled in the next five years.

The new plan will help about 80 percent handicapped children of school age have access to the compulsory education, and have about 80 percent unemployed handicapped people trained professionally and helped some 80 percent disabled persons in urban and rural areas find jobs, it says.

The report says that compared with the last five-year plan, the general tasks of the new one, which is expected to be submitted to the State Council for approval at the end of this year, are to be harder and more concrete.

China has now more than 50 million handicapped persons, half of whom have still led a poor life and some three percent have no sufficient food, clothes and housing, according to the report.

Sources from the Coordination Working Committee of the Handicapped Under the State Council said that China has issued loans of more than 100 million yuan to aid the poor handicapped people over the past four

years, helping more than 60,000 disabled persons find jobs and over 1.68 million handicapped take part in various kinds of work in 427 counties across the country. The income of the disabled has also increased markedly.

The committee for the handicapped, founded in September 1993 and consisting of 34 government departments under the State Council with State Councillor Peng Peiyun as its head, is the country's top organization for the disabled people.

The sources said that over the past four years, more than 767,000 people have received operation of cataract extraction and over 280,000 persons with infantile paralysis have had an orthopaedic surgery.

In addition, more than 46,000 deaf children have had a language training and over 20,000 blind children have received sight-aid devices.

In the past four years, China has set up more than 450 disabled apparatus supply centers, providing the handicapped persons with 160,000 pieces of aiding devices in more than 80 categories.

In 1994, these centers provided 15.78 million newlywed, child-bearing women and babies under two years old with iodized oil pills.

The total number of community recovery centers, special schools and classes for the handicapped in China has reached 6,500, 1,288 and 5,300, respectively. These schools and classes have more than 180,000 disabled students.

Despite the remarkable achievements China has made over the past few years, about 90 percent of the disabled persons throughout the country are unable to get the necessary aiding apparatus and special articles and a large number of handicapped children have no opportunity to go to school, the officials from the federation said.

As a result, they said, integration of "development" effort with "relief" effort will be this year's major work in aiding the disabled.

The CPC is the force at the core leading China's revolution, construction, and reform. To ensure that the party provides correct leadership, we must first rely on the correctness of the party's line, principles, and policies; and second, we must rely on the role played by party members as a vanguard and model. The party's high prestige has been formed and consolidated in practice; it should also be constantly strengthened and developed in practice. The party's prestige has been the result of the hard work of party members of the older and contemporary generations; in the days to come, we must rely on party members of the contemporary and next generations to temper the party's prestige. Every Communist should emulate Comrade Kong Fansen. At all times, they should think of themselves as "people of the party," strengthen their party spirit, and strive to outdo others in

setting an example in reform, opening up to the outside world, and the socialist modernization drive.

To learn from Comrade Kong Fansen, it is necessary to demonstrate the acts of selfless dedication and to serve the people wholeheartedly. Serving the people wholeheartedly is the fundamental purpose of our party and government; it is the starting point and end-result of all our acts and is the fundamental reason the party can maintain close ties with the masses and is supported by the people. At a time when the old systems are being replaced by new ones, interest patterns are undergoing changes. Therefore, we should be concerned with many problems among the masses and strive to solve them. Every party member, especially leading cadres, should pay more attention to discovering the masses' hardships, show concern for their well-being, and help them solve problems. At all times, leading cadres should maintain a correct relationship between themselves and the masses, bear in mind that the power in their hands is given by the masses, persist in the principles of establishing a party serving the interests of the vast majority and wielding power to serve the interests of the people, and never let the people down by abusing power for personal gain.

To learn from Comrade Kong Fansen, it is necessary to demonstrate the acts of fighting corruption, promoting honesty, and promoting a good party work-style and the building of a clean and honest government. It should be affirmed that in the new situation, the masses of Communists and leading cadres, have set demands on themselves according to the provisions of the party constitution and have played their exemplary vanguard role well. However, money worshiping, ultra-individualism, and other decadent bourgeois ideas have been seriously corroding the party. A small number of people without a strong will, failing to withstand the test, have become morally degenerated. Here, it is necessary to once again point out emphatically that in the entire primary stage of socialism, every party member, especially leading cadres, are faced with the test of living up to being part of the ruling party, one that is bent on pushing forward reforms and opening up to the outside world, and the test of fighting against corrosion and opposing peaceful evolution. We should sound the warning bell, strictly observe discipline, and forever preserve the true colors of Communist Party members.

To learn from Comrade Kong Fansen, we should strive to work hard and make contributions to reforms, development, and stability. After summing up its decades of experiences, the party has set the general task for itself and for the whole country: "Seize the current opportunity, deepen reform, open China up wider to the outside world, promote development, and maintain stability." Last year, China made breakthrough progress in reform, thus making a decisive step toward the establishment of a socialist market economy. This year, we should continue to exert ourselves and advance while the situation is favorable. In particular, we must effectively check inflation, ensure agricultural production, and score

marked achievements in pushing forward the reform of state-owned enterprises, especially large and medium-sized state-owned ones. It should be recognized that the tasks of reform, development, and stability are extremely difficult. Like Comrade Kong Fansen, Communists, especially leading cadres, should keep the overall interest in mind, work hard to make the country prosperous, work hard to implement principles and policies, and make new and real contributions to realizing the tasks set by the party.

Comrade Kong Fansen is an example for all party members and leading cadres to follow in the new period. Launching a campaign to learn from Comrade Kong Fansen in a deepgoing and sustained way among all party members will forcefully promote the party's ideological, organizational, and work-style building. It will also cause comrades of the whole party to rally more closely around the party Central Committee with Comrade Jiang Zemin as the core, to hold high the great banner of building socialism with Chinese characteristics, and to lead millions upon millions of people to advance victoriously toward the grand objectives of the 21st century.

Article Views Learning From Kong Fansen

OW0805045495 Beijing XINHUA Domestic Service in Chinese 1324 GMT 7 May 95

[RENMIN RIBAO editorial: "Learn What Is Basic and Practice It—More on Learning From Comrade Kong Fansen"; publication date not given]

[FBIS Translated Text] Beijing, 7 May (XINHUA)—General Secretary Jiang Zemin recently wrote an important inscription that read: "Learn from Comrade Kong Fansen." Premier Li Peng also wrote an important inscription that read: "Learn from Comrade Kong Fansen's spirit of loving the people and selfless devotion." These are solemn appeals issued by the party Central Committee with Comrade Jiang Zemin as the core to the entire party and people throughout the country. Party committees at all levels should organize all party members, especially leading cadres, to earnestly study the inscriptions and to respond positively to the appeals by learning from Comrade Kong Fansen in practice, and by becoming Kong Fansen-style Communists and leading cadres.

Over the past month, Comrade Kong Fansen's exemplary deeds have spread throughout the motherland, evoking enthusiastic responses from hundreds of millions of people and from comrades throughout the party. Deeply moved by Comrade Kong Fansen's deeds and spirit, the vast numbers of cadres and people speak highly of his lofty character marked by loyalty to the party and people, selfless devotion, and hard work. They eulogize the fine tradition of our party and the spirit of the times that found condensed expression in his person, and that made him deserve to be called the Lei Feng and

Jiao Yulu of the nineties, as well as a prominent representative of Communists and leading cadres. In learning from Comrade Kong Fansen, we should follow his example of living, working, and making all-out and devoted efforts; we should surge forward like warm currents that are full of vim and vigor, dynamic energy, and youthful strength. We believe that more Kong Fansen-style good party members and cadres will surely come to the fore as the drive toward learning from Comrade Kong Fansen deepens.

As a model of his generation, Comrade Kong Fansen demonstrated many remarkable qualities and fine ways that deserve to be emulated. In learning from Comrade Kong Fansen, the most basic thing is to emulate his lofty ideals, firm conviction, and correct outlook on the world, life, and values so that the party's goal of serving the people wholeheartedly will be given better expression. Comrade Kong Fansen unflinchingly studied Marxism-Leninism-Mao Zedong Thought and Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics; armed himself with scientifically sound theories; and made the demands of the party and people his code of conduct. This was the basic reason for his becoming a noble individual who was immensely useful to other people. Only if we learn and master this basic thing we can elevate our thinking to an entirely new level.

An important thing in learning from Comrade Kong Fansen is to practice what we learn. Integrating theory with practice, being consistent in one's words and actions, and studying for the purpose of application constitute Comrade Kong Fansen's good learning style; it is also a good style that we should promote when learning from Comrade Kong Fansen. Comrade Jiang Zemin recently pointed out: All party members, especially leading cadres at all levels, should take Kong Fansen's deeds and spirit as a mirror and yardstick when they think and work. From time to time, they should look into the mirror and measure themselves with the yardstick so that they can develop their strengths, eliminate their weaknesses, make constant progress, truly withstand all sorts of grim challenges, and genuinely face our era, party, and people with a clear conscience.

Department Tells Media 'Not To Make Trouble'

HK0805065095 Hong Kong MING PAO in Chinese 8 May 95 p B1

[Dispatch from Beijing by special correspondent Yuan Ping (5913 0365): "Central Propaganda Department Urges Media Not To Make Trouble for Government"]

[FBIS Translated Text] Over the past few years, April, May, and June have been a politically sensitive period in China. It has been disclosed by a source in Beijing that, apart from issuing orders to the Army and police to heighten their vigilance as in the past, the CPC hierarchy has furthered its tightened control over the media this year. The Central Propaganda Department recently

transmitted to the lower levels an instruction calling for various units of the media to carefully avoid "making trouble for the government" in their news reports.

Accordingly, a number of news reports including major serious cases unearthed in the anticorruption campaign, excessively heavy homework burdens on pupils, and a social event in which two actresses staged a strike because of a dispute over interests, among others, are cited in the abovementioned instruction as having to be "watered down and not overly disseminated."

As it has been pointed out, excessively wide coverage of anticorruption cases will give people the wrong impression that there are corrupt officials everywhere, and that there is not a single "clean and honest official" in the Communist Party, easily providing opportunities for people to capitalize on such shortcomings. The criticism of the excessively heavy homework burdens on pupils will give rise to suspicions that the author is criticizing the country's existing education program and creating trouble for the education department. Therefore, it is advisable to make as few reports as possible or to refrain from making any report at all on problems which exist in reality but which cannot be resolved by the authorities at the present time.

Some reports criticizing false and exaggerated statistics have also been removed from the lists of publication because they will "make people think that there is nothing genuine in China."

With regard to reports on the commemorative activities marking the end of World War II, the Central Propaganda Department also required that more articles should be written about the communist troops' resistance in the enemy's rear areas instead of the head-on conflicts with the Kuomintang on the front. On the battlefield in Europe, it is necessary to avoid giving excessive prominence to the achievements made by the British and U.S. joint forces in landing at Normandy, while more articles should be written about the contributions made by the Soviet Union in its confrontation with Germany. In the meantime, the role of the Yalta and Cairo Accords, in which the big powers divided their spheres of influence after the war, should be mentioned as little as possible.

In face of such stringent restrictions, personalities in charge of the major media in Beijing have adopted the method of cautiously "watering down flash-point news while highlighting reports on leading figures" so as to avoid "tripping the mines." As a result, all the duty editors-in-chief in the various major newspapers often have to ask advice from the official XINHUA NEWS AGENCY on the order of the leaders' names and the allocation of space when there are reports on momentous events. There Are Four Patterns Regarding the Order of Leaders' Names [subhead]

As has been revealed, there are four different patterns with regard to the order of leaders' names, and strict

stipulations have been set for these orders on different occasions, so that sometimes it is arranged with those within the party coming in front of those who are not; sometimes it is mixed by both the party and government leaders; and sometimes it is mentioned as party and state leaders, (which is also called the method of being arranged in a general order).

For example, according to the general order, Vice State President Rong Yiren's name should rank eighth place after those of the seven members of the Standing Committee of the Political Bureau of the CPC Central Committee. However, according to the mixed arrangement of the party and government leaders for etiquette purposes, his name will rank fifth just after Jiang Zemin, Li Peng, Qiao Shi, and Li Ruihuan. In some cases of important news, they have to check the wordings of headlines with RENMIN RIBAO to avoid making any mistakes.

Nevertheless, it is impossible for the media to keep from "making mistakes" now and then. Recently, a minister unexpectedly flew into a fit of rage upon reading an article in an official magazine, saying that he is "very skilled at playing bridge," and instructed the person responsible for the magazine to make a self-criticism.

China To Double Legal Service Practitioners

OW0805081595 Beijing XINHUA in English 0651 GMT 8 May 95

[FBIS Transcribed Text] Beijing, May 8 (XINHUA)—China plans to recruit more lawyers through holding national examinations for correspondence students of law, a senior judicial official disclosed here today.

The first such examination will be in April next year, said Liu Yang, vice-minister of justice.

All citizens, both employees in the judicial sectors and people from other walks of life, may take part in the correspondence training courses and be awarded degrees after passing examinations, Liu said.

Passing a national qualification examination for lawyers, the students will be given certificates authorizing them to go in for this profession.

Such a means is expected to be one of the major channels to train badly-needed legal professionals in addition to helping state-funded higher education, which only churns out 10,000 graduates of law annually, according to the vice-minister.

President Jiang Zemin said that China needs 300,000 lawyers for the normal operation of its market economy, and the Justice Ministry intends to have 150,000 lawyers, 30,000 notaries and 200,000 grass-roots legal service people by the end of this century.

"We at least have to double the number of legal service people in the next five years," Liu said in an interview.

The country now has only 80,000 working lawyers, 16,000 notaries and 100,000 grass-roots legal service employees.

China already has a national correspondence education network of lawyers under the All-China Lawyers Correspondence Training Center, which was set up in 1985. And some 350,000 people have taken training courses since then.

The law profession is becoming popular among the nation's younger generation, and the combination of correspondence education and national united examinations could be a cheaper way to cultivate a large amount of professionals in this field, the vice-minister said.

Stricter Rules Issued for Drug Advertisements

OW0805072095 Beijing XINHUA in English 0634 GMT 8 May 95

[FBIS Transcribed Text] Beijing, May 8 (XINHUA)—The Chinese authorities have issued new rules on the advertising of drugs, medical equipment, farm chemicals and veterinary medicines.

A press release from the State Administration for Industry and Commerce, the Ministry of Public Health, the State Pharmaceuticals Administration and the Ministry of Agriculture on Friday [5 May] said that the above products are closely connected with people's lives and farm production, and the advertisement of them requires better management.

The new rules provide that all drug advertisements have to submit to the approval of the public health, drug production and agricultural authorities at or above the provincial level before appearing in the media. Such advertisements in major national media have to be directly approved by the Ministry of Public Health, the State Pharmaceuticals Administration and the Ministry of Agriculture.

The new rule bans any advertising of drugs claiming to treat mental illnesses, drug addiction, tumors, AIDS or sexual dysfunctions. In addition, narcotics, poisonous or radioactive drugs, vaccines and drugs for birth control may not be advertised.

The new rules also forbid the use of phrases such as "the best," "latest technology," "without side-effects," etc., in drug advertisements. Research bodies, experts, doctors and patients shall not be quoted. Advertisements shall not relate the efficacy rate of drugs nor any awards the drug has won.

Images of children shall not appear in drug advertisements, according to the new rules. Advertisements shall not describe the symptoms of a disease in such a way as to suggest to non-sufferers that they have acquired it, nor shall they imply that a disease will worsen if the advertised drug is not used.

A re-assessment of drug advertisements in major national media will start on June 1, according to the relevant authorities.

***NPC, Local Government Organization Law**
*95CM0202A Beijing XINHUA in Chinese 1642 GMT
28 Feb 95*

["Organization Law for Local People's Congresses and Local Governments at All Levels (Amended Draft)"—This version replaces an incomplete version published on pages 46-50 in the 11 April China DAILY REPORT]

[FBIS Translated Text] (Passed by the First Session of the Fifth National People's Congress [NPC] on 1 July 1979, amended first by the "Resolution on Certain Provisions Amending the PRC Organization Law for Local People's Congresses and Local Governments at All Levels" of the Fifth Session of the Fifth NPC on 10 December 1982, then by the "Resolution on Amending the PRC Organization Law for Local People's Congresses and Local Governments at All Levels" of the 18th Session of the Sixth NPC Standing Committee on 2 December 1986, and finally by the "Resolution on Amending the PRC Organization Law for Local People's Congresses and Local Governments at All Levels" of the 12th Session of the Eighth NPC Standing Committee on 28 February 1995)

Table of Contents

Section I	General Rules
Section II	Local People's Congresses at All Levels
Section III	Local People's Congress Standing Committees at All Levels Above the County
Section IV	Local People's Governments at All Levels
Section V	Supplementary Articles

PRC Organization Law for Local People's Congresses and Local Governments at All Levels

Section I. General Rules

Article 1. Provinces, autonomous regions, municipalities, autonomous prefectures, counties, autonomous counties, cities, municipal districts, townships, minority nationality townships, and towns will set up people's congresses and people's governments.

Article 2. Local people's congresses at all levels above the county will set up standing committees.

Article 3. Organs of self-government in autonomous regions, autonomous prefectures, and autonomous counties, in addition to exercising the functions and powers provided in this law, will also exercise autonomy within the jurisdiction provided by the Constitution, the Regional National Autonomy Law, and other laws.

Section II. Local People's Congresses at All Levels

Article 4. All local people's congresses at all levels are the organs of local government power.

Article 5. The people's congresses of provinces, autonomous regions, municipalities, autonomous prefectures, and established-zone cities will be elected by people's congresses at the next lower level; the people's congresses of counties, autonomous counties, nonestablished-zone cities, municipal districts, townships, minority nationality townships, and towns will be elected directly by their constituencies.

The delegate quotas and methods of producing delegates for local people's congresses at all levels are provided for in the Election Law. Minority nationalities in all administrative divisions should have suitable delegate quotas.

Article 6. Provincial, autonomous regional, municipal, autonomous prefectural, county, autonomous county, and municipal district people's congresses are elected for terms of five years. Township and minority nationality township people's congresses are elected for terms of three years.

Article 7. Provincial, autonomous regional, and municipal people's congresses, based on the particular conditions and real needs of their administrative divisions, and premised on conflicts in their various constitutions, laws, and administrative legislation, can draw up and promulgate local legislation, to be reported for the record to the NPC Standing Committee and the State Council.

The people's congresses in cities in which provincial and autonomous regional people's governments are located and those in the larger cities with State Council approval, based on their particular municipal conditions and real needs, and premised on conflicts in their various constitutions, laws, administrative legislation, and provincial and autonomous regional local legislation, can draw up local legislation to go into effect after approval by the provincial and autonomous regional people's congress standing committees and to be reported for the record by the provincial and autonomous regional people's congress standing committees to the NPC Standing Committee and the State Council.

Article 8. Local people's congresses at all levels above the county will exercise the following functions and powers:

1. Within their administrative divisions, they will ensure that their constitutions, laws, administrative legislation, and resolutions of their superior people's congresses and their standing committees are complied with and carried out, as well as ensuring that state plans and state budgets are implemented.

2. They will examine and approve within their administrative divisions reports on their national economic and social development plans and budgets and their implementations.

3. They will discuss and decide on crucial matters within their administrative divisions such as politics, economics, education, science, culture, public health, environmental and resource protection, civil administration, and minority nationalities.

4. They will elect the component personnel of their people's congress standing committees.

5. They will elect provincial governors and vice governors, autonomous regional chairmen and vice chairmen, mayors and vice mayors, prefectural leaders and deputy leaders, county magistrates and deputy magistrates, and district leaders and deputy leaders.

6. They will elect people's court presidents and public prosecutor-generals; elected public prosecutor-generals must be reported to their superior prosecutor-generals for submission to their people's congress standing committees for approval.

7. They will elect delegates to their superior people's congresses.

8. They will hear and examine work reports from their people's congress standing committees.

9. They will hear and examine work reports from their people's governments, people's courts, and people's procuratorates.

10. They will change or revoke improper resolutions made by their people's congress standing committees.

11. They will revoke improper decisions and orders made by their people's governments.

12. They will protect socialist publicly owned property and the collectively owned property of the working public, protect the legitimately owned property of private citizens, maintain public order, and ensure citizens' personal rights, civil rights, and other rights.

13. They will protect the legitimate rights and interests of all economic organizations.

14. They will ensure the rights of minority nationalities.

15. They will ensure to women all rights provided by the Constitution and laws such as equality of the sexes, equal pay for equal work, and freedom of marriage.

Article 9. Township, minority nationality township, and town people's congresses will exercise the following functions and powers:

1. Within their administrative divisions, they will ensure that the constitutions, laws, administrative legislation, and resolutions made by their superior people's congresses and their standing committees are complied with and carried out.

2. They will approve and promulgate resolutions within the scope of their functions and powers.

3. Based on state plans, they will decide within their administrative divisions on construction plans for economic and cultural undertakings and public facilities.

4. They will examine and approve within their administrative divisions reports on fiscal budgets and budget implementation.

5. They will decide within their administrative divisions on implementation plans for civil administration.

6. They will elect their people's congress presidents and vice presidents.

7. They will elect their township leaders and deputy leaders and town leaders and deputy leaders.

8. They will hear and examine work reports by their township, minority nationality township, and town people's governments.

9. They will revoke improper decisions and orders by their township, minority nationality township, and town people's governments.

10. They will protect socialist publicly owned property and the collectively owned property of the working public, protect the legitimately owned property of private citizens, maintain public order, and ensure citizens' personal, civil, and other rights.

11. They will protect the legitimate rights and interests of all economic organizations.

12. They will safeguard minority nationality rights.

13. They will guarantee to women all rights granted by the Constitution and laws such as equality of the sexes, equal pay for equal work, and freedom of marriage.

Township, minority nationality township, and town people's congresses where minority nationalities are concentrated, while exercising their functions and powers, should take specific steps suited to minority nationality characteristics.

Article 10. Local people's congresses at all levels have the right to recall their people's government component personnel. Local people's congresses above the county level have the right to recall the component personnel of their people's congress standing committees, as well as the people's court presidents and public prosecutor-generals elected by them. Recalled public prosecutor-generals must be reported to the superior public prosecutor-generals for submission to their people's congress standing committees for approval.

Article 11. Local people's congresses at all levels will meet at least once a year.

By motion of over one-fifth of the delegates, interim sessions of people's congresses can be called.

Article 12. Sessions of local people's congresses at all levels above the county will be convened by their people's congress standing committees.

Article 13. Local people's congresses at all levels above the county will hold preparatory meetings for each session to elect that session's presidium and secretary general and approve decisions on that session's agenda and other preparatory matters.

Preparatory meetings will be chaired by their people's congress standing committees. The preparatory meeting for the first session of each people's congress will be chaired by the previous people's congress standing committee.

When local people's congresses at all levels above the county hold sessions, they will be chaired by their presidiums.

Sessions of local people's congresses at all levels above the county will install a number of deputy secretary generals, who will be elected by their presidiums.

Article 14. Township, minority nationality township, and town people's congresses will install chairmen, as well as possibly one or two vice chairmen. Chairmen and vice chairmen will be elected from their people's congress delegates, with their terms to be the same as each session of their people's congresses.

Township, minority nationality township, and town people's congress chairmen and vice chairmen may not hold positions in state administrative organs; if they hold positions in state administrative organs, they must resign their positions as chairmen or vice chairmen of their people's congresses.

Township, minority nationality township, and town people's congress chairmen and vice chairmen, when their people's congresses are not in session, are responsible for keeping in touch with their people's congress delegates, organizing delegate activities, and reporting the suggestions, criticisms, and views of delegates and the public on their people's government work.

Article 15. When township, minority nationality township, and town people's congresses hold sessions, they will elect presidiums. Presidiums will preside over sessions, as well as be in charge of convening the next sessions of their people's congresses. Township, minority nationality township, and town people's congress chairmen and vice chairmen will be presidium members.

Article 16. The first session of each local people's congress at all levels, within two months after their people's congress delegates are elected, will be convened by their last session people's congress standing committee or their last township, minority nationality township, and town people's congress presidium.

Article 17. The constituent personnel of local people's governments at all levels above the county, as well as people's court presidents, public prosecutor-generals, and township people's government leaders, will attend their people's congress sessions as nonvoting delegates; officials of other concerned organs and groups above the

county level, upon the decision of their people's congress standing committees, can attend their people's congress sessions as nonvoting delegates.

Article 18. When local people's congresses at all levels hold meetings, their presidiums, standing committees, all special committees, and people's governments can make proposals to their people's congresses within the functions and powers of their people's congresses, with presidiums deciding whether to submit them to people's congress sessions for deliberation or to refer them to the pertinent special committees for examination, approval, and reporting, after which presidiums deliberate and decide whether to submit them to the congress for voting.

With joint sponsorship by more than 10 delegates to local people's congresses at all levels above the county, or with joint sponsorship by more than five delegates to township, minority nationality township, and town people's congresses, bills can be submitted to people's congresses within their functions and powers, with presidiums deciding whether to put them on congress agendas or to first refer them to the pertinent special committees for deliberation and presentation of views on whether to include them in congress agendas, after which presidiums decide whether to list them in congress agendas.

With regard to bills listed on congress agendas which the sponsors wish to withdraw before they are submitted to the congresses for a vote, congresses will halt deliberations on those bills with presidium approval.

Article 19. Suggestions, criticisms, and views submitted on all aspects of work by delegates to local people's congresses at all levels above the county to their people's congresses and their standing committees will be referred by their people's congress standing committee working bodies to the pertinent organs and organizations for study, handling, and responsibility for response.

Suggestions, criticisms, and views presented on all aspects of work by township, minority nationality township, and town people's congress delegates to their people's congresses will be referred by their people's congress presidiums to the pertinent organs and organizations for study, handling, and responsibility for response.

Article 20. Elections and passage of resolutions by local people's congresses at all levels must be approved by a majority of all delegates.

Article 21. As to elections of the constituent personnel of local people's congress standing committees at all levels above the county; township, minority nationality township, and town people's congress chairmen and vice chairmen, provincial governors and vice governors, autonomous regional chairmen and vice chairmen, mayors and vice mayors, prefectural leaders and deputy leaders, county magistrates and deputy magistrates, district leaders and deputy leaders, township leaders and

deputy leaders, town leaders and deputy leaders, people's court presidents, and public prosecutor-generals, nominations will be made by their people's congress presidiums or jointly by their delegates as provided by this law.

With joint written sponsorship by over 30 delegates to provincial, autonomous regional, or municipal people's congresses, more than 20 delegates to established-zone city or autonomous prefecture people's congresses, and over 10 delegates to county people's congresses, candidates can be nominated for the constituent personnel of people's congress standing committees, people's government leaders, people's court presidents, and public prosecutor-generals. With joint written sponsorship by over 10 delegates to township, minority nationality township, or town people's congresses, candidates can be nominated for people's congress chairmen and vice chairmen and people's government leaders. Candidates for delegates in different constituencies or elected by electoral units can be deliberated on and jointly nominated.

The number of candidates nominated by presidiums, as well as the number of candidates jointly nominated by each delegate with other delegates, may not exceed the electable quotas.

Nominators should provide accurate briefs on the candidates they nominate.

Article 22. The number of candidates for people's congress standing committee chairmen and secretary-generals, township, minority nationality township, and town people's congress chairmen, people's government regular leaders, people's court presidents, and public prosecutor-generals should be generally more than one, for election balance; when there is only one nominated candidate, elections can still be held. The number of candidates for people's congress standing committee vice chairmen, township, minority nationality township, and town people's congress vice chairmen, and people's government deputy leaders should exceed the electable numbers by one to three, with the number of candidates for people's congress standing committee members exceeding the electable numbers by one-tenth to one-fifth, and people's congresses setting specific quotas based on electable numbers in election regulations, for election balance. If the number of nominated candidates conforms to the quotas provided in election regulations, elections can be held once presidiums submit them to delegates for deliberation and discussion. If the number of nominated candidates exceeds the quotas provided in election regulations, preliminary elections can be held upon submission by presidiums to delegates for deliberation and discussion, with the order of votes received in preliminary elections and the quotas set in election regulations used to determine the official candidate lists for elections.

When local people's congresses at all levels above the county hold reelections for their state-organ leaders, the

period of nomination of and deliberation on candidates must not be less than two days.

Article 23. Elections are to use the secret ballot method. Representatives may cast their ballots for or against confirmed candidates or may select any other representative or elector or may relinquish this right.

Article 24. When each level of local people's congress votes on the leaders of state organizations at that level, if the number of candidates who receive more than half the votes exceeds the number of positions to be elected, those with the largest number of votes will be elected. In the case of ties so that the electee cannot be determined, there shall be another vote among the candidates with the same number of votes, and the candidate with the most votes will then be elected.

When the number of candidates receiving more than half the votes is fewer than the number of positions to be filled, another election will be held among the candidates with fewer than the required number of votes. When the additional election is held, the candidates may be confirmed based on the order of the number of votes each received in the first vote, or the candidates may be confirmed in accordance with the procedure for nominations stipulated in the regulations in this law. The people's congress at that level may decide whether the supplemental vote among candidates with inadequate numbers of votes can be held at the same meeting of the people's congress or at the next meeting.

When additional votes are held for the people's congress positions of vice chairmen of the standing committee, members of the standing committee, chairmen of people's congresses of villages, minority villages, or towns, and deputy leaders in the people's government, the procedure in Article 22 of this law will be followed to determine the number of positions to be filled and to conduct a supplemental election for those positions.

Article 25. When local people's congresses at all levels hold supplemental elections for chairmen, vice chairmen, secretaries-general, or members of standing committees, chairmen or vice chairmen of the people's congresses of villages, minority villages, or towns, governors or lieutenant governors of provinces, chairmen or vice chairmen of autonomous regions, mayors or deputy mayors of municipalities, chairmen or vice chairmen of autonomous prefectures, chiefs or deputy chiefs of counties, chiefs or deputy chiefs of districts, mayors or deputy mayors of villages, mayors or deputy mayors of towns, chief justices of people's courts, and chief prosecutors of people's procuratorates, the number of candidates can exceed the number of positions to be elected or can equal the number of positions to be elected, and the method of election is to be determined by the relevant people's congress.

Article 26. When people's congresses at or above the county level are in session, the presidium, the standing committee, or at least one-tenth of the representatives

may jointly initiate recalls of members of the standing committee of that people's congress, members of the people's government, chief justices of the people's court, or chief procurators of the people's procuratorate, which the presidium then invites the congress to deliberate.

When the people's congresses of villages, minority villages, or towns are in session, the presidium or at least one fifth of the representatives may jointly initiate a recall of the chairman or vice chairman of the people's congress, the chief or deputy chief of the county, or the mayor or deputy mayor of the town, which the presidium then invites the congress to deliberate.

A recall case must clearly state the reasons for the recall.

Individuals named in recall cases have the right to present arguments for their defense at a meeting of the presidium or of the entire body or to present their defense in writing. The defense arguments presented at a meeting of the presidium or presented in writing are to be reprinted and distributed to the congress by the presidium.

For recall cases raised in all levels of local people's congresses at or above the county level, the presidium may invite the entire body to decide by vote after handing the case over to the meeting for deliberation, or the presidium may make a motion and obtain the decision of the entire body to organize an investigative committee. The people's congress at that level then deliberates and decides upon the case at its next meeting, based on the report of the investigative committee.

Article 27. At or above the county level, members of standing committees of all levels of local people's congresses and leading personnel of the people's governments, chief justices of people's courts, and chief procurators of the people's procuratorates may submit their resignations to the people's congress at their level, and the congress will decide whether to accept the resignation. When the congress is not in session, these resignations may be submitted to the standing committee of the people's congress at that level, and the standing committee will decide whether to accept the resignation. After the standing committee decides to accept the resignation, the case is reported to and entered into the records of the people's congress at that level. The resignation of a chief procurator of the people's procuratorate must be reported to the chief procurator of the people's procuratorate at the next higher level which will then ask the standing committee of the people's congress at that level for approval.

The chairmen and vice chairmen of village, minority village, or town people's congresses, village mayors and deputy mayors, and town mayors and deputy mayors may submit resignations to the people's congress at their level and the congress will then decide whether to accept the resignation.

Article 28. When each level of local people's congress is in session, joint requests for explanations may be made

in writing by at least ten representatives to the people's government at the corresponding level or to any of the offices under that government as well as the people's court or the people's procuratorate. The request for explanation must state clearly to whom the request is directed and the issue and contents of the explanation requested.

In cases of requests for explanation, the presidium decides whether the organization requested to explain will respond to the request orally at a meeting of the presidium, the entire body, or a relevant specialized committee or respond to the request in writing. If the response is given at a meeting of the presidium or of a specialized committee, the representatives who submitted the request for explanation have the right to attend that meeting and express their views. If the presidium deems it necessary, the presidium may decide to reprint the report on the response to the request for explanation and distribute the report to the congress.

Oral responses given to requests for explanation should be given in person by a responsible authority of the organization being requested; written responses to requests for explanation should be signed by a responsible authority of the organization being requested and then reprinted and distributed by the presidium to the congress or to the representatives who submitted the request.

Article 29. When local people's congresses at all levels are deliberating issues, the representatives may raise questions to relevant local state organizations, and the organizations will send someone to explain.

Article 30. The people's congresses of provinces, autonomous regions, municipalities directly under the central government, autonomous prefectures, and municipalities divided into districts may, according to need, establish legal system (politics and law) committees, finance and economics committees, education, science, culture and health committees, and other specialized committees. All specialized committees will be under the leadership of the people's congress at that level; when the people's congress is not in session, they will be under the leadership of the standing committee of the people's congress at that level.

The chairmen, vice chairmen, and other members of specialized committees will be nominated by the presidium from among the representatives and approved by the congress. When the congress is not in session, the standing committee may fill positions for chairman or vice chairman or part of the members of the specialized committees. Nominations are to be made at meetings of the chairmen and approved by a meeting of the standing committee.

Under the leadership of the people's congress at that level and its standing committee, each specialized committee researches, deliberates, and drafts legislation,

undertakes investigation and study, and offers suggestions on issues relevant to that committee and within the jurisdiction of the people's congress at that level and its standing committee.

Article 31. All levels of local people's congresses at or above the county level may organize investigative committees on specified issues.

The presidium or at least ten percent of the representatives acting jointly in writing may ask the people's congress at their level to organize an investigative committee on a specified issue, and the presidium will ask the plenary body to decide.

The investigative committee is to consist of a chairman, a vice chairman, and members, who are to be nominated by the presidium from among the representatives and approved by the plenary body at the request of the presidium.

The investigative committee will submit an investigation report to the people's congress at that level. The people's congress may, based on the report of the investigative committee, make corresponding decisions. The people's congress may authorize its standing committee to receive the report of the investigative committee, and the standing committee may then make corresponding decisions and report this for the record at the next meeting of the people's congress.

Article 32. The representative credentials committee approved at the first session of each people's congress of a village, minority village, or town will exercise its authority until the term of that people's congress is concluded.

Article 33. The term of office of representatives to each level of local people's congresses begins at the first session of each people's congress at that level and ends at the first session of the next people's congress at that level.

Article 34. At each level of local people's congress, the speeches and votes of the representatives in each level of local people's congress and of the members of the standing committee made during sessions of the people's congress or of the standing committee are not subject to legal investigation.

Article 35. Representatives to all levels of local people's congresses at or above the county level may not be arrested or subjected to criminal trial without the permission of the presidium of the people's congress at that level or, when the people's congress is not in session, without the permission of the standing committee of that people's congress. If [a representative] is detained after being caught in the act of a crime, the public security organization conducting the detention should report this immediately to the presidium or standing committee of the relevant people's congress.

Article 36. When representatives to all levels of local people's congresses are attending people's congress sessions or executing their duties, the state will provide them with round trip transportation expenses and necessary material conveniences or subsidies.

Article 37. Representatives to all levels of local people's congresses should maintain close contact with the original units or constituencies which elected them, publicize laws and policies, assist the people's government at that level in carrying out its duties, and also report the views and demands of the masses to the people's congress, its standing committee, and the people's government.

Representatives to the people's congresses of provinces, autonomous regions, municipalities directly under the central government, autonomous prefectures, and municipalities divided into districts may attend sessions of the people's congress which originally elected them.

Representatives to the people's congresses of counties, autonomous counties, municipalities not divided into districts, districts administered by municipalities, villages, minority villages, and towns will divide up responsibilities for maintaining contact with the electorate. Residential districts or production units with three or more representatives may organize representative teams to assist with promoting the work of the people's government at their level.

Article 38. Representatives to the people's congresses of provinces, autonomous regions, municipalities directly under the central government, autonomous prefectures, and municipalities divided into districts are subject to the oversight of the units which originally elected them. Representatives to the people's congresses of counties, autonomous counties, municipalities not divided into districts, districts administered by municipalities, villages, minority villages, and towns are subject to the oversight of the voters.

Electoral units or voters have the right to recall the representatives whom they have elected to any level of local people's congress at any time. Recalls of representatives must be passed by more than half of the representatives to an original electoral unit or by more than half of the voters in an electoral district.

Article 39. When representatives to any level of local people's congresses are for some reason unable to fulfill their representative duties, the original electoral unit or the voters of the electoral district will elect a replacement.

Chapter Three. Standing committees of all levels of local people's congresses at or above the county level.

Article 40. People's congresses of provinces, autonomous regions, municipalities directly under the central government, autonomous prefectures, counties, autonomous counties, municipalities, and districts administered by municipalities are to establish standing committees.

The standing committees of local people's congresses at all levels at or above the county level are the permanent organizations of the people's congress at their level and are responsible to that people's congress and must report on their work to it.

Article 41. The standing committees of people's congresses of provinces, autonomous regions, municipalities directly under the central government, autonomous prefectures, and municipalities divided into districts are to be composed of a chairman, several vice chairmen, a secretary general, and several members, elected from among the representatives to that people's congress.

The standing committees of people's congresses of counties, autonomous counties, municipalities not divided into districts, and districts administered by municipalities are to be composed of a chairman, several vice chairmen, and several members, elected from among the representatives to that people's congress.

Members of standing committees may not hold positions in state administrative organizations, judicial institutions, or procuratorial institutions. If they assume such positions, they must submit resignations from their positions as members of a standing committee.

The number of members of standing committees

1) For provinces, autonomous regions, municipalities directly under the central government, 35 to 65 members; provinces with populations over 80 million may have up to 85 members;

2) For municipalities divided into districts and autonomous prefectures, 13 to 35 members; municipalities which are divided into districts and have over eight million people may have up to 45 members;

3) For counties, autonomous counties, municipalities not divided into districts, and districts administered by municipalities, 11 to 23 members; counties, autonomous counties, municipalities not divided into districts, and districts administered by municipalities with over one million people may have up to 29 members.

The number of members of the standing committee of each people's congress of a province, autonomous region, or municipality directly under the central government is to be determined by the people's congress of the province, autonomous region, or municipality directly under the central government, based on the size of the population and in keeping with the stipulations in the above clauses. The number of members of the standing committee of each people's congress of an autonomous prefecture, county, autonomous county, municipality, or district administered by a municipality is to be determined by the standing committee of a province, autonomous region, or municipality directly under the central government, based on the size of the population and in keeping with the stipulations in the above clauses. After the number of members of the

standing committee of each people's congress is determined, the number will not change during the term of that people's congress.

Article 42. The term of each standing committee at any level of local people's congress at or above the county level is the same as the term of the people's congress at that level, and the standing committee exercises authority until the next people's congress elects a new standing committee.

Article 43. When the people's congress at the same level is not in session, a standing committee of a people's congress of a province, autonomous region, or municipality directly under the central government may, based on the needs and specific conditions of its administrative region and on the condition of not conflicting with the constitution, laws, and administrative regulations, establish and promulgate local regulations which are to be reported to and entered into the records of the standing committee of the National People's Congress and the State Council.

When the people's congress at the same level is not in session, a standing committee of a municipality which is the capital of a province or an autonomous region or a relatively large municipality which has such approval of the State Council may, based on the specific conditions and practical needs of that municipality and on the condition of not conflicting with the constitution, laws or administrative regulations or the local laws and regulations of that province or autonomous region, establish and promulgate local laws and regulations to be reported to the standing committee of the people's congress of the province or the autonomous region for approval before implementation and then to be reported by the standing committee of the province or the autonomous region to be entered into the records of the standing committee of the National People's Congress and the State Council.

Article 44. Each standing committee of any level of people's congress at or above the county level shall exercise the following authority:

1) Within its own administrative territory, to ensure that the constitution, laws, and administrative regulations, as well as the decisions of the people's congress of the next higher level and its standing committee, are obeyed and implemented.

2) To lead or conduct the elections for representatives to the people's congress at its level.

3) To convene meetings of the people's congress at its level.

4) To discuss and make decisions on important issues of politics, economics, education, science, culture, health, protection of the environment and natural resources, civil government, and ethnicity within its administrative territory.

5) To make decisions on partial changes in the planning and budgeting for the domestic economy and social development within its administrative territory, based on the suggestions of the people's government at that level.

6) To exercise oversight over the work of the people's government, the people's court, and the people's procuratorate at that level, and to maintain contact with the representatives to the people's congress at that level, and to accept and hear accusations and objections from the masses regarding the work of the state and the aforementioned organizations;

7) rescind inappropriate resolutions adopted by the people's congress or its standing committee at a lower level;

8) rescind the inappropriate decisions and orders of the people's government at its level;

9) appoint and dismiss vice governors, vice chairmen of the autonomous region, vice mayors, deputy prefectural chiefs, deputy county chiefs, or deputy district chiefs during the period of time when the people's congress at its level is in recess. Appoint an acting governor, acting autonomous regional chairman, acting mayor, acting prefectural chief, acting county chief, acting president of the people's court, or acting procurator-general of the people's procuratorate from among the deputies in the people's government, people's court, or people's procuratorate, respectively, when the governor, autonomous regional chairman, mayor, prefectural chief, county chief, district chief, president of the people's court, or procurator-general of the people's procuratorate cannot perform his duties for some reason. In naming an acting procurator-general, it shall file a report with the people's procuratorate and people's congress at the higher level for record;

10) appoint and dismiss the secretary general, department chiefs, bureau chiefs, commission chairmen, and section chiefs in the people's government at its level based on nominations by the governor, autonomous regional chairman, mayor, prefectural chief, county chief, or district chief, respectively. These appointments shall be reported to the people's government at the higher level for record;

11) appoint and dismiss the vice president, presiding judge, deputy presiding judges, members of the judicial committee, and judicial officer of the people's court in accordance with the People's Court Organic Law. Appoint and dismiss the deputy procurator-general, members of the procuratorial committee, and procurators of the people's procuratorate in accordance with the People's Procuratorate Organic Law. Approve the appointment or dismissal of the procurator-general of the people's procuratorate at a lower level. In a province or autonomous region, the standing committee of the people's government shall appoint and dismiss the president of the intermediate people's court set up within its

jurisdiction to coincide with territorial administrative divisions, as shall its counterpart in a municipality directly administered by the central government with regard to the president of the intermediate people's court in the municipality, based on the nominations of the chairman's conference. In a province, autonomous region, or municipality directly administered by the central government, the standing committee of the people's congress shall appoint and dismiss the procurator-generals of branches of the people's procuratorate based on the nominations of the procurator-general of the provincial, autonomous region, and municipal people's procuratorate, respectively;

12) when the people's congress at the higher level is in recess, it may strip a vice governor, a vice chairman of the autonomous region, a vice mayor, a deputy prefectural chief, a deputy county chief, or a deputy district chief of his duties and responsibilities. It may do likewise to other personnel in the people's government at its level who were appointed by it; to the vice presidents, presiding judge, deputy presiding judge, members of the judicial committee, and judicial officers of the people's court; to the deputy procurator-generals, members of the procuratorial committee, and procurators of the people's procuratorate; to the president of an intermediate people's court; and to the procurator-generals of branches of the people's procuratorate;

13) hold a by-election to fill a vacancy on the people's congress at the higher level or recall individual deputies when the people's congress at its level is in recess; and

14) confer honorary titles on a local jurisdiction.

Article 45 Meetings of the standing committee shall be convened by its chairman. It shall meet at least once every two months.

The standing committee shall adopt a resolution with the votes of more than half of its full membership.

Article 46 The chairman's conference of the standing committee of a people's congress above the county level may submit motions on matters within its jurisdiction to its standing committee for its consideration.

A people's government and the specialized committees of a people's congress above the county level may submit a motion to the standing committee of the people's congress at its level provided the motion falls within the jurisdiction of the standing committee in question. The chairman's conference shall table the motion for consideration by the standing committee. Alternatively, the motion may first be sent to the appropriate specialized committee for its consideration before being presented to the standing committee along with a report prepared by the specialized committee.

A motion co-signed by more than five people on the standing committee of the people's congress of a province, autonomous region, municipality directly administered by the central government, autonomous prefecture,

or a municipality with a district may be submitted to the standing committee in question provided the motion falls within the committee's jurisdiction. At the county level, a motion must be co-signed by more than three people for it to be submitted. The chairman's conference shall table the motion for consideration by the standing committee. Alternatively, the motion must first be sent to the appropriate specialized committee for its consideration before a decision is taken as to whether or not it shall be presented to the standing committee along with a report prepared by the specialized committee.

Article 47 When the standing committee of the people's congress of a province, autonomous region, municipality directly administered by the central government, autonomous prefecture, or municipality with a district is in session, a written inquiry concerning the people's government, people's court, or people's procuratorate at its level may be submitted to it provided the inquiry is co-signed by more than five members of the standing committee. At the county council, a written inquiry must be co-signed by more than three members of the standing committee. The written inquiry must state the target of the inquiry as well as its substance.

The chairman's conference shall decide whether or not the department targeted in the inquiry shall respond orally at a plenary session of the standing committee or at a meeting of the relevant specialized committee, or whether it shall respond in writing. If the department is required to respond at a meeting of the appropriate specialized committee, members of the standing committee who initiated the motion shall have the right to be present and express their opinions. The chairman's conference may have the response to the inquiry printed and distributed among members of the conference if it deems it necessary to do so.

When an inquiry motion is responded to orally, it shall be carried out in person at a meeting by the leader of the department being queried. A written response must be signed by the leader of the department queried and shall be printed and distributed among members of the conference or among members of the standing committee who initiated the motion.

Article 48 In a province, autonomous region, municipality directly administered by the central government, autonomous prefecture, or municipality with a district, the chairman's conference of the standing committee of the people's congress shall consist of the chairman, vice chairmen, and secretary-general of the standing committee. In a county, an autonomous county, a municipality without a district, or a district administered by a municipality, the chairman's conference shall comprise the standing committee's chairman and vice-chairmen. The chairman's conference handles major day-to-day work for the standing committee.

Article 49 When the chairman of a standing committee cannot perform his duties or is absent from his post because of poor health, an acting chairman shall be

chosen from among the standing committee's vice chairmen to be the acting chairman until the chairman regains his health or until a new chairman is selected by the people's congress.

Article 50 A deputy qualifications examination committee shall be set up by the standing committee of a people's congress above the county level.

The standing committee chairman's conference shall nominate individuals from among members of the standing committee as candidates for chairman, vice chairmen, and members of the deputy qualifications examination committee. The nominations shall be approved by the standing committee meeting in full session.

Article 51 The deputy qualifications examination committee shall verify the legality of the elections of the deputies.

Article 52 The chairman's conference or at least one fifth of the members of the standing committee may co-sign a motion to the standing committee of the people's congress at its level proposing the creation of an investigating committee to look into a specific issue. The motion shall be voted on by the standing committee meeting in full session.

An investigating committee shall comprise a chairman, vice chairmen, and members.

The standing committee's chairman's conference shall nominate individuals from among members of the standing committee to be candidates for chairman, vice chairmen, and members of the investigating committee. The nominations shall be approved by the standing committee meeting in full session.

The investigating committee shall submit investigation reports to the standing committee of the people's congress at its level. The standing committee may respond by adopting an appropriate resolution based on the findings of an investigation report.

Article 53 The standing committee shall set up an office and other functional bodies to meet the needs of its work.

The standing committee of the people's congress of a province or autonomous region may set up functional bodies in the localities.

Chapter 4 People's Governments At All Local levels

Article 54 A people's government at a local level is the executive organ of the people's congress at the same level. People's governments are the administrative organs of the state at the local levels.

Article 55 A people's government at a local level shall report and be accountable to the people's congress at its level and to the administrative organs of the state at the

higher level. During the period when the people's congress at its level is in recess, a people's government above the county level shall report and be accountable to the standing committee of its people's congress.

All people's governments at all levels in the nation are administrative organs of the state under the State Council's unified leadership and must subordinate themselves to the State Council.

People's governments at all levels shall discharge their administrative functions and exercise their administrative powers in accordance with the law.

Article 56 The people's government of a province, autonomous region, municipality directly administered by the central government, autonomous prefecture, or municipality with a district shall comprise a governor and vice governors, chairmen and vice chairmen, mayor and vice mayors, and prefectural chief and deputy prefectural chiefs, respectively, as well as a secretary-general, department chiefs, bureau chiefs, and commission chairmen, among others.

The people's government of a county, autonomous county, municipality without a district, or a district administered by a municipality shall comprise a county chief and deputy chiefs, a mayor and vice mayors, and a district chief and deputy chiefs, respectively, as well as bureau chiefs and section chiefs, among others.

The people's government of a township or minority township shall comprise a township chief and deputy chiefs. The chief of a minority township shall be a member of the minority nationality concerned. The people's government of a town shall comprise a town chief and deputy chiefs.

Article 57 After a new people's government is elected into office in accordance with the law, a request shall be made to the standing committee of the people's congress at the same level within two months to appoint the people's government's secretary-general, department chiefs, bureau chiefs, commission chairmen, and section chiefs.

Article 58 The term of office of the people's government of a province, autonomous region, municipality directly administered by the central government, autonomous prefecture, county, autonomous county, municipality, or a district administered by a municipality shall be five years. The term of office of the people's government of a township, minority township, or town shall be three years.

Article 59 People's governments at all levels above the county shall discharge the following functions and exercise the following powers:

1) execute the resolutions adopted by the people's congress and its standing committee at the same level, enforce the decisions and orders of the administrative

organs of the state at the higher level, formulate administrative measures, and issue decisions and orders;

2) exercise leadership over the work of the various functional departments subordinate to it as well as the people's government at a lower level;

3) amend or rescind the inappropriate orders and instructions issued by the functional departments subordinate to it or the inappropriate decisions and orders issued by the people's government at a lower level;

4) appoint, dismiss, train, evaluate, reward, and punish the workers of administrative organs of the state in accordance with the law;

5) implement the national economic and social development plan and the budget; manage programs in the following fields within its jurisdiction: economics, education, science, culture, public health, sports, environment and resource protection, urban and rural development, finance, civil administration, public security, nationalities affairs, judicial administration, supervision, and family planning;

6) protect socialist properties owned by the whole people and properties collectively owned by the working people. Protect the properties privately and legally owned by citizens. Maintain social order. Safeguard the citizen's personal rights, democratic rights, and other rights;

7) protect the legitimate rights and interests of economic organizations of all types;

8) safeguard the rights of minority nationalities. Respect their customs and habits. Assist areas within its administrative jurisdiction with a concentration of minority nationalities in exercising regional autonomy in accordance with the constitution and other laws. Assist all minority nationalities to develop politically, economically, and culturally;

9) safeguard all the rights, including sex equality, equal pay for equal work, and freedom of marriage, granted to women by the constitution and other laws; and 10) perform other duties assigned by administrative organs of the state at a higher level.

Article 60 The people's government of a province, autonomous region, or municipality directly administered by the central government may formulate regulations based on laws, administrative rules and regulations, and provincial, autonomous regional, or municipal laws and regulations. Such regulations shall be reported to the State Council and the standing committee of the people's congress at its level for record. The people's government of the seat of government of a province or autonomous region may make regulations based on laws, administrative rules and regulations, and provincial or autonomous regional laws and regulations. The people's government of a fairly large municipality also may make regulations based on laws, administrative rules and regulations, and municipal laws and regulations provided it has the

approval of the State Council. Such regulations shall be reported to the State Council, to the standing committee of the people's congress as well as the people's government of the province or autonomous region, and to the standing committee of the people's congress at its level for record.

Regulations formulated in the manner stipulated above must be decided upon through discussion by the appropriate people's government at a regular meeting or meeting in full session.

Article 61 The people's government of a township, minority township, or town shall discharge the following functions and exercise the following powers:

- 1) execute the resolutions of the people's congress at its level, enforce the decisions and orders of the administrative organs of the state at the higher level, and issue decisions and orders;
- 2) implement the national economic and social development plan and the budget within its administrative jurisdiction. Manage programs in these fields within its jurisdiction: economics, education, science, culture, public health, sports, finance, civil administration, public security, judicial administration, and family planning;
- 3) protect socialist properties owned by the whole people and properties collectively owned by the working people. Protect the properties privately and legally owned by citizens. Maintain social order. Safeguard the citizen's personal rights, democratic rights, and the rights;
- 4) protect the legitimate rights and interests of economic organizations of all types;
- 5) safeguard the rights of minority nationalities. Respect their habits and customs;
- 6) safeguard all the rights, including sex equality, equal pay for equal work, and freedom of marriage, granted to women by the constitution and other laws; and
- 7) perform other duties assigned by the people's government at a higher level.

Article 62 The people's government of a province shall institute a governor responsibility system; in an autonomous region, chairman responsibility system; municipality, mayoral responsibility system; prefecture, prefectural chief responsibility system; county, county chief responsibility system; district, district chief responsibility system; township, township chief responsibility system; and town, town chief responsibility system.

The governor, autonomous regional chairman, mayor, prefectural chief, county chief, district chief, township chief, or town chief shall be in charge of the work in the people's government at his level.

Article 63 The meetings of a people's government above the county level shall be divided into two types: regular

meetings and plenary meetings. A plenary meeting is one where all the members of a people's government are present. In a province, autonomous region, municipality directly administered by the central government, autonomous prefecture, or municipality with a district, the regular meetings of the people's government shall consist of the governor and vice governors, chairmen and vice chairmen, mayors and vice mayors, or prefectural chiefs and deputy chiefs, as the case may be, plus the secretary general. In a county, autonomous county, or a district directly administered by a municipality, the regular meetings of the people's government shall consist of the county chief and deputy chiefs, the mayor and vice mayors, or the district chief and deputy chiefs, as the case may be. The governor, autonomous regional chairman, mayor, prefectural chief, county chief, and district chief shall convene and preside over both plenary meetings and regular meetings of the people's government in question. Decisions on major matters in government work shall be made by a people's government at a regular meeting or by the people's government meeting in full session.

Article 64 People's governments at all levels shall establish the necessary functional departments based on the needs of their work and the principle of streamlining.

People's governments above the county level shall set up auditing departments. Auditing departments at all levels shall exercise their auditing supervisory power independently in accordance with the law and be accountable to the people's government at its level and to the auditing department at a higher level.

In a province, autonomous region, or municipality directly administered by the central government, the people's government must apply to the State Council for permission to set up, increase, decrease, and merge departments, bureaus, and commissions and shall make a report of such changes to the standing committee of the people's congress at its level for record.

In an autonomous prefecture, county, autonomous county, municipality, or district directly administered by a municipality, the people's government must apply to its counterpart at a higher level for permission to set up, increase, decrease, or merge such functional offices as bureaus and sections and make a report on such changes for submission to the standing committee of the people's congress at its level for record.

Article 65 Departments, bureaus, commissions, and sections shall be headed by department chiefs, bureau chiefs, commission chairmen, and section chiefs, respectively. Deputy positions may be created if necessary.

General offices and offices shall be headed by directors and, if necessary, deputy directors.

There shall be one secretary general and several deputy secretary generals in the people's government of a province, autonomous region, municipality directly administered by the central government, autonomous prefecture, or municipality with a district.

Article 66 All working units in the people's government of a province, autonomous region, or municipality directly administered by the central government shall be under the unified leadership of the people's government and are subject to the professional guidance or leadership of the agency in charge in the State Council in accordance with the laws and administrative rules and regulations.

Article 67 The people's government of a province, autonomous region, municipality directly administered by the central government, autonomous prefecture, county, autonomous county, municipality, or district administered by a municipality shall render assistance to state organs, enterprises, and institutions inside its jurisdiction but not subordinate to it with their work. It also shall supervise them to ensure that they obey and carry out the laws and policies.

Article 68 The people's government of a province or autonomous region may, if necessary, set up a number of agencies with the approval of the State Council.

The people's government of a county or autonomous county may, if necessary, set up a number of village offices with the approval of the people's government of the relevant province, autonomous region, or municipality directly administered by the central government.

The people's government of a district directly administered by a municipality or a municipality without a district may set up a number of neighborhood offices as its agencies with the approval of the people's government at the higher level.

Chapter 5 Appendices

Article 69 The people's congress and its standing committee of a province, autonomous region, or municipality directly administered by the central government may make detailed regulations on matters that arise in the course of implementation in accordance with this law and the real situation.

Family Unable To Visit Dissident Wei Jingsheng

HK0605060095 Hong Kong SOUTH CHINA MORNING POST in English 6 May 95 p 8

[By Agnes Cheung]

[FBIS Transcribed Text] Relatives have again been refused permission to visit dissident Wei Jingsheng, removed by the authorities a year ago.

Wei Shanshan, Wei's sister who lives in Hamburg, was apparently stonewalled by the authorities last month when she returned to Beijing in an attempt to visit her brother. Marie Holzmänn, a family friend who accompanied Ms Wei during her visit, said the authorities refused to tell them where the 45-year-old former electric worker—regarded as China's most famous dissident—is being held. "Officials just said Wei is in good health,"

said Ms Holzmänn. She said officials had also implied he has no problems with his living conditions.

Wei was seized in April last year but the authorities have not yet announced his alleged crimes. He had been released in September 1993 after serving 14 and ½ years of a 15-year sentence for "counter-revolutionary" activities. The family has so far been unable to visit him.

Ms Holzmänn said in Hong Kong yesterday that Ms Wei had visited the Beijing Public Security Bureau, the Ministry of Public Security, the Supreme People's Court and the Standing Committee of the National People's Congress to request to see her brother. "Every time she was received by an adequate person who knew about Wei's case. But all they told her was: 'We can't tell you where he is', 'You may not see him', and 'You can't leave letters for him'," said Ms Holzmänn, who has been campaigning for Wei since he was first arrested in 1979.

The dissident community in Beijing told Ms Holzmänn the authorities had probably been moving Wei around in the past year. "Nobody has any information about him. He's just disappeared. It's extremely depressing," said Ms Holzmänn. She also tried to petition President Jiang Zemin. But every authority refused to accept her letter.

Ms Holzmänn, 43, became a friend of Wei in 1978 when she was a translator at a foreign news agency in Beijing. "When he got arrested, it was a great shock to me," she said. She saw Wei last year, about three months before the dissident was re-arrested. Ms Holzmänn said she felt "lonely" in her fight in Europe for Wei's release. "People in Europe find it hard to remember Chinese names ... even some of those concerned about human rights in China." Now she is planning to write a book on Wei, which she says is perhaps the "last thing" she can do for the dissident.

Media Cover Current 'Unrest' Issues

Unrest in Liaoning, Sichuan

HK0805025395 Hong Kong LIEN HO PAO in Chinese 8 May 95 p 7

[Dispatch from Beijing: "Labor Unrest Reportedly Occurs in Liaoning and Sichuan"]

[FBIS Translated Text] State-owned enterprises in the mainland have incurred serious losses, and many of them have not been able to pay their workers on time. This has caused difficulties to the workers' livelihood. Between the second half of last year and the early months of this year, workers in Liaoning and Sichuan often took to the streets and staged demonstrations to express their resentment. They called for "being able to get food for survival." The "workers' problem" has become a new difficulty facing the mainland authorities.

According to sources, over the past few months of this year, labor unrest happened again and again in Liaoning and Sichuan. Workers often took to the streets to express

their resentment. They demanded that their wages be paid and that workers should be able to "get food for survival." In Chongqing, Sichuan, more than 10 cases of worker demonstrations happened in this period. In at least four of the events, over 1,000 people participated in the demonstrations, while others involved several hundred or some 100 participants.

Reportedly, the CPC central authorities paid serious attention to the worker demonstrations and maintained that the workers' problem might affect the stability of the overall situation and constituted a rather serious problem. Therefore, the CPC Central Propaganda Department issued a directive requiring that the mass media in various localities prudently handle the "workers' problems" and the "peasants' problems." It has been said that the CPC central authorities had placed the workers' problem ahead of agriculture and held that, if there was any trouble this year, the trouble would come from the workers.

The sources said: It has been getting more and more difficult to advance reform in the state-owned enterprises in the mainland, and the number of loss-incurring enterprises has continued to increase. Many workers were not being paid their wages on time and were living in difficult conditions. This problem was particularly prominent in Shenyang of Liaoning Province and in Sichuan. Liaoning is a major industrial base of the mainland, but a large number of state-owned enterprises there were running in the red. Sichuan is the base for "third-line" construction, and there are a large number of factories in the war industry. Only a small number of them could successfully shift production to civilian products, and most of them incurred serious business losses. Therefore, the workers' problem in the two provinces was particularly serious.

It has been said that this year would be a critical juncture for reform in the state-owned enterprises. If the problems were not properly resolved, serious labor unrest would be triggered off. In particular, job placement for workers who have been laid off and workers in enterprises that have gone bankrupt, relief for workers living in difficult conditions, the guarantee of their subsistence needs, and the system of social insurance must be handled very carefully. At present, the central authorities in Beijing are being very prudent in advancing the implementation of the enterprise bankruptcy system in order to prevent workers' discontent and to prevent the appearance of more serious labor unrest.

Circular Reportedly Issued

HK0805060795 Hong Kong EASTERN EXPRESS in
English 8 May 95 p 6

[By Bruce Gilley]

[FBIS Transcribed Text] The politburo has issued a circular to all government departments extending special

arrangements for dealing with social unrest until after September's United Nation's Women's Conference in Beijing.

The circular was issued last month, shortly before the sacking and arrest of the Beijing party secretary, Chen Xitong, sources who saw the document said yesterday.

The extension would ensure that leaders could "get a hold on the mood and trends of the masses in a timely fashion and ensure not a single mistake is made during this period", the politburo circular explains.

The special arrangements, which have been employed in previous years in the lead up to the June 4 anniversary, include the maintenance in leading cities of round-the-clock fax networks controlled by joint government and police-run public security commissions and the cancellation of all non-essential work unit activities.

Departments handling public services, including public transport, electricity supply, water supply and sanitation, are ordered to respond to service interruptions 24 hours a day.

Those in charge of government departments and state enterprises are called upon to "watch their premises, control their personnel and do their work well", sources who saw the circular said.

The three-month extension of the measures, which usually end after the June 4 anniversary, is expected to place a heavy strain on leading cadres throughout the hot summer months.

While the sixth anniversary of the Tiananmen Square protests was not considered particularly sensitive, the circular stated that "it is believed that unstable factors are greater this year than last year".

The Guangzhou executive vice-mayor, Chen Kaizhi, said in late April that state enterprise reform, rural disputes and urban redevelopment were the three chief sources of potential social unrest.

"We must be on guard against enemy forces at home and abroad, which try to use these things to create incidents, and firmly foil their plots," Chen told a city meeting on public security, apparently called to discuss the circular.

Stepped up "intelligence gathering" as well as "supervision and control of public sentiment" would be employed to see the city through the next four months, Chen said, according to a report of the meeting in the Beijing-backed Wei Wei Po newspaper.

Campus sentiment has also continued to be a concern, as reflected by a recent flurry of surveys of student attitudes at universities.

In a warning to students at the weekend, the New China News Agency (Xinhua) said the "superficial and extremist" thinking, which infused campuses in the 1980s, was now out of fashion.

"Intellectuals are now having second thoughts about the Western-inspired radicalism of the 1980s," Xinhua asserted.

"The intellectuals of the 1990s have totally changed the vehement feelings and anti-traditional illusions of the 1980s," it said, quoting a Beijing University professor.

Nationwide, the perennial bugbear of grain shortages is looming as a challenge to tranquility this summer, the newly appointed Vice-Minister of the State Planning Commission, Ma Kai, said last week.

Clashes over cheap state-supplied grain had recently broken out in "certain regions with a large concentration of retired and laid off workers", Ma admitted in an interview with the Hong Kong Economic Journal.

"Their dissatisfaction with inflation is still pretty great and something we should not overlook," he warned.

Following the recent clean out of senior city leaders on corruption charges, Chinese leaders are thought to be especially worried about social stability in Beijing over the next four months.

Fears that the removals might be used to foment social discord have apparently helped the mayor, Li Qiyang, and a vice-mayor, Zhang Baifa, retain their posts temporarily despite the arrest of their secretaries earlier this year.

On Friday, the new party secretary, Wei Jianxing, told cadres that they should "increase their consciousness" about guarding the political and social stability of the capital, the official China News Service reported.

An additional 2,000 police took to the Beijing streets on foot patrol last Monday, with the power to take in for questioning anyone "suspected of being out of line".

"The stability of the capital will determine the half or more of the country's overall stability," the head of the Beijing's People's Armed Police (PAP) regiment, Major General Meng Zhende, warned in February.

"The whole country takes its lead from Beijing."

Journal Defends Human Rights Record

Part One

HK0805092995 Beijing SHIJIE ZHISHI in Chinese No 5, 1 Mar 95 p 1

[Article by Shi Zhi (0670 0037): "Questions and Answers on Human Rights (Part One)"]

[FBIS Translated Text] Editor's note: At the beginning of each year, the UN Human Rights Commission meets in Geneva for a six-week conference to discuss questions relating to the protection and promotion of human rights.

The UN Human Rights Commission was established in 1946 in accordance with a resolution of the Economic

and Social Council, and its membership has increased to 53 from the original 18. China was elected a member of the Commission in 1951. The 51st session of the UN Human Rights Commission opened in Geneva on 30 January this year. News from Geneva is that member states are exchanging views and holding debates on 28 items, including racism, religion, refugee status, the rights of women and children, and human rights in individual countries. At the request of readers, we will, starting with the present issue, be answering questions regarding the human rights situation in China, UN human rights activities, and so on. [end editor's note]

1. What Are Human Rights?

"Human rights" refer to the rights to freedom and equality that man enjoys or should enjoy. In other words, human rights are the free and equal social and political status that every individual enjoys or should enjoy according to the nature of his or her society.

However, human rights involve very complicated and influential social and historical categories. Different people and countries under different social systems have very different interpretations of the concept of human rights. Human rights are also a developing concept. As human society develops, the content of human rights continues to be substantiated, enriched, and developed. Hence, there is no definition of human rights that is acceptable to everyone in this world.

The term human rights was first put forward by the bourgeoisie in Europe in the 17th and 18th centuries. To counter the inviolable religious authority, the divine right of monarchs, and hereditary class prerogatives of the Middle Ages, the bourgeoisie put forward the slogan of "natural rights," preaching that "everyone is born free and equal." The "Bill of Rights" of Britain (1689), the "Declaration of Independence" of the United States (1776), and the "Declaration of Human and Civil Rights" of France (1791) established the bourgeois concept of human rights. The salvos of the October Revolution in 1917 ushered in a new era in human history. They also ushered in a new epoch for the realization and development of human rights. Economic, social, and cultural rights have become important aspects of human rights.

In view of the lessons learned from the trampling of human rights by the fascists, the international community put forward the demand for the universal protection of human rights on a global scale after World War II. The concept of human rights has seen further development in the 50 years since the end of the war. The international community has reiterated that human rights include not only civil and political rights, but also economic, social, and cultural rights. It also stipulates that the right of national self-determination, the right of development, permanent sovereignty over national wealth and resources, the right to peace, environmental rights, and so on, are also basic human rights. Hence, human rights refer to the human rights of individuals in relation to

their environment. The human rights concept thus greatly extends beyond the narrow bourgeois concept of human rights and takes on rich substance, reflecting the strong aspirations and desires of countries of different types, particularly the vast numbers of developing countries.

We can thus see that human rights are more than just an empty or abstract concept. They are not the monopoly of the bourgeoisie in the West, but are the spiritual wealth created by all mankind.

2. What Are the Major Characteristics of Human Rights in China?

The full enjoyment of human rights and basic freedom is the beautiful dream of the people the world over. It is also the hard fought goal of the Chinese people over the past century.

The founding of the PRC in 1949 ended the long and tragic history of suppression and oppression of the Chinese people of all nationalities by imperialism, feudalism, and bureaucratic capitalism. The Chinese people in their hundreds of millions won independence and sovereignty for their own country, thereby securing the fundamental guarantee for human rights and basic freedom that they were entitled to enjoy. To protect and promote human rights for the Chinese people, the CPC and the Chinese Government made protracted, unremitting, and effective efforts in the provision of institutional, legislative, policy, and material guarantees. As a result, China achieved great successes in the protection of human rights, and the human rights situation in China saw a fundamental turn for the better. In particular, in the 16 years since the commencement of reform and opening up, China's political, economic, and social conditions have seen tremendous and positive changes, and steady improvements have been made in living standards. The human rights of the Chinese people have received greater respect and protection. The cause of reform and opening up continued to make new headway in 1994, with gross domestic product exceeding 4 trillion yuan and the total volume of imports and exports exceeding \$235 billion. Under the leadership of the CPC, the Chinese people kept 22 percent of the world's population going on only 7 percent of the world's arable land.

Proceeding from their own history and national conditions, the Chinese people have, based on experience gained from long years of practice, developed their own viewpoints on the question of human rights, as well as their own characteristics in respecting and protecting human rights. On the whole, human rights in China have the following notable characteristics:

First, they are extensive. Human rights are enjoyed not just by the minority or a section of a given class, but by the Chinese people as a whole. The scope of human rights enjoyed by citizens is extensive, covering not only political rights of citizens, but also economic, social, cultural, and other rights.

Second, they are fair. China effectively guarantees that civil rights are enjoyed by all citizens and are not subject to restrictions such as money or property status, nationality, race, sex, profession, family background, religious belief, education, or length of residence.

Third, they are real. The state provides institutional, legal, and material guarantees for the realization of human rights. In addition to all the civil rights stipulated in the Constitution and the laws, the minority nationalities also enjoy the exclusive rights of the minority nationalities, such as autonomous rights.

Of course, as a developing country, the further promotion of human rights for the Chinese people will be a long-term task of the Chinese people and the Chinese government.

Part Two

HK0805093595 Beijing SHIJIE ZHISHI in Chinese No 6, 16 Mar 95 pp 26-27

[Article by Shi Zhi (0670 0037): "Questions and Answers on Human Rights (Part Two)"]

[FBIS Translated Text] 3. How Do the Constitution and Laws of China Respect and Protect Human Rights?

To protect and promote the human rights and basic freedoms of the Chinese people, the Chinese government has promulgated a large number of laws to govern the actions of the government and of individuals, thereby bringing the protection of human rights onto legal tracks.

The Chinese Constitution stipulates that all rights of the PRC belong to the people. Every Chinese citizen, regardless of sex, family background, nationality, race, property status, or religious belief, enjoys full democracy and freedom, the political rights of citizens set down in the Constitution and the laws, as well as extensive economic, social, and cultural rights.

In the 40 years or so since its founding, New China has drawn up a number of laws protecting its citizens' basic rights and freedoms. The "Criminal Law," for instance, effectively protects the people, and deals blows at all unlawful infringements upon the personal rights, democratic rights, and other rights of other people, as well as at other criminal acts. The "Law of Criminal Proceedings" provides judicial organs and the broad masses of the people with the rules to follow in criminal proceedings and prevents the abuse of power. The "General Rule of the Civil Law," the "Patent Law," the "Marriage Law," the "Economic Contract Law," the "Copyright Law," and the like have set down the rules to be observed in a range of common questions in civil activities. In particular, their clearcut and specific stipulations regarding the protection of property rights, obligatory rights, intellectual property rights, and so on of citizens, represent a major step forward in China's human rights legislation. The "Electoral Law" effectively guarantees the power of the people to exercise their right to political

democracy. The "Assembly, Parade, and Demonstration Law," the "Law of Administrative Proceedings," the "Compulsory Education Law," the "Environmental Protection Law," and other laws protect the rights and freedoms enjoyed by citizens against violation by others.

To further strengthen legal protection over the political, economic, social, and cultural rights of citizens, the PRC National People's Congress [NPC] and its Standing Committee have passed 180 laws and 77 separate regulations between 1979, when China first implemented the policy of reform and opening up, and the end of 1994. The State Council has passed more than 1,100 administrative regulations, while various provinces, municipalities, and autonomous regions have passed more than 3,000 local laws.

It should be pointed out in particular that in 1994 alone, the NPC and its Standing Committee also passed a series of special laws to govern the actions of government organs and government functionaries and to protect the rights of citizens. The "State Compensation Law," for instance, establishes the legal system for government compensation in China and provides open, concrete, and unified legal guarantees for the right of citizens to secure state compensation in accordance with the law. The "Mother and Child Care Law" is another major measure taken by the Chinese government to protect the human rights of the Chinese people, particularly the rights and interests of women and children. The "Prison Law" is an important piece of legislation for the reform of criminals. It lays a solid legal foundation for law-enforcement departments to correctly mete out punishment, run prisons in accordance with the law, enforce strict discipline in the police force, and protect the legal rights of criminals in custody. The "Labor Law" provides systematic legal guarantees for the protection of the legitimate rights and interests of laborers.

To further strengthen and improve the legal system, China's legislative organs are actively drafting a series of special laws which have a close bearing on the basic rights of citizens in the light of China's concrete conditions and on the basis of studying and soliciting expert opinions.

Of course, China's human rights legislation must be further developed in the course of practice. Seen from practice over the past 40 years or so, China has achieved tremendous success in its development of the legal system. The role it plays in the protection of human rights is as good as that played by any other country.

4. How Does China Protect the Human Rights of Minority Nationalities?

China is a unified, multi-national country comprising 56 different nationalities. It has a total population of 1.2 billion, including 81 million people of minority nationalities, or 8 percent of the total. The Chinese government attaches great importance to nationality affairs and regards equality between nationalities, the unity of the

nationalities, the practice of autonomy in the minority areas, and the promotion of common development and prosperity among all nationalities as its basic principle and policies in the handling of nationality affairs. It has also drawn up a whole set of laws and political systems suited to China's conditions. The minority nationalities enjoy full human rights in China.

China's Constitution stipulates that all nationalities in the PRC are equal. The state protects the lawful rights and interests of the minority nationalities and upholds and develops the relationship of equality, unity, and mutual assistance among all of China's nationalities. Discrimination against and oppression of any nationality are prohibited; any acts that undermine the unity of the nationalities or instigate their secession are prohibited. In China, all nationalities, regardless of their population, degree of social and economic development, customs and habits, religious belief, or written and spoken language, are equal and enjoy the same rights. At present, people of minority nationalities hold important positions in the NPC, the State Council, the Chinese People's Political Consultative Conference, the Supreme People's Court, and the Supreme People's Procuratorate. Some are even ministers or deputy ministers of government departments.

Based on the scale and compactness of the minority nationality communities, as well as political, economic, cultural, and other factors, regional autonomy is practiced in areas where people of minority nationalities live in compact communities; in these areas organs of self-government are established for the exercise of the right of autonomy. National autonomous areas are divided into autonomous regions, autonomous prefectures, and autonomous counties. There is now a total of 157 national autonomous areas in the country, including five autonomous regions, 30 autonomous prefectures, and 122 autonomous counties. Their total area accounts for 64 percent of the nation's territory. In areas where minority nationalities live in compact or scattered communities, more than 1,700 nationality townships are established so that the minority nationalities in these communities can better enjoy their right to freedom.

China is a country based on the legal system. Establishing and guaranteeing the human rights of the minority nationalities through legislation is an important component of China's policy on nationality affairs. At present, Chinese legislation concerning the minority nationalities includes not only national laws including the Constitution and the law of regional autonomy, but also local laws and regulations drawn up by individual national autonomous areas in accordance with national laws and in the light of their own political, economic, and cultural realities and characteristics. So far, 25 autonomous prefectures and 94 autonomous counties have drawn up their own autonomous regulations. Qinghai and eight other provinces that have national autonomous areas have drawn up regulations that give embodiment to the law of regional autonomy. The

above-mentioned laws and regulations cover economic development, written and spoken language, culture and education, marriage, family planning, management of resources, religious belief, and other aspects. We can say that China has developed a legal system for the nationalities that protects the rights of all minority nationalities.

Helping the minority nationalities develop their economies is one of the important tasks of the Chinese government. Due to historical, natural, geographic, and other factors, there is still a definite gap between social and economic development in the minority nationality regions and in the Han nationality regions. To help speed up economic development in these regions, the Chinese government has always made a special point of giving these regions the necessary manpower and material and financial support, and has given them preferential policies when drawing up national economic development plans. The state provides the minority nationality regions with substantial financial subsidies each year, and adopts a variety of effective measures to solve the food and clothing problem of ethnic people and to help them embark on the road to prosperity. According to incomplete statistics, financial subsidies to provinces and autonomous regions with a large population of the minority nationalities totaled about 100 billion yuan between 1980 and 1993. In recent years, the minority nationality regions are implementing the policy of reform and opening up as are other parts of the country. They are making great efforts to attract foreign capital and have achieved notable results in their endeavors.

In areas such as culture, education, science and technology, and public health, the Chinese government has also adopted many special policies and measures to help the minority nationality regions achieve all-round development. Take culture and education, for instance. Statistics show that there are currently more than 100,000 primary schools, over 10,000 ordinary secondary schools, nearly 600 secondary technical schools, and over 100 tertiary institutions in national autonomous areas throughout the country. Some of the rights enjoyed by the minority nationalities, which are protected by the laws of China, actually exceed the provisions set down in international human rights documents. For instance, there are no stipulations in the "World Human Rights Declaration" which say that the minority nationalities have the right to use their own language in schools, courts of law, and state legislative organs, but there are clear provisions for these rights in the laws of China.

Practice over the past 40 years or so has proved that China's nationality policy has been successful. Today, the overwhelming majority of the people of minority nationalities in China are deeply aware that their right to equality and right of development are protected; they are full of confidence in China's unity and future. The Chinese Government and the people of all nationalities will continue to exert themselves to promote the common prosperity of all nationalities, and will work

hard to achieve democracy, freedom, and human rights in a higher and broader sense.

5. What Is the Human Rights Situation in China's Tibet?

Tibet is an inseparable part of China. In recent years, however, international hostile forces and secessionists in exile have been glibly talking about the so-called "Tibet question" or the so-called "human rights issue in Tibet." They keep spreading rumors in an attempt to confound the truth, sow discord among different nationalities in China, and sling mud at China's nationality policy to achieve their aim of splitting and subverting China.

What is the human rights situation in Tibet after all? We should let the truth speak for itself.

In the hundreds of years prior to the peaceful liberation of Tibet in 1950, Tibet practiced an extremely backward feudal system of serfdom. The vast numbers of serfs and slaves not only did not have any political or social rights, they had no guarantee for their basic subsistence. After the peaceful liberation of Tibet in 1950, particularly after the commencement of democratic reform in 1959, Tibet underwent world-shaking changes, and millions of serfs became their own masters as a result. It was only then that the human rights and basic freedom of the people of Tibet were respected and guaranteed.

Politically, the people of Tibet abolished serfdom, carried out democratic reform, and became their own masters. The self-government organs of the Tibet Autonomous Region enjoy the rights stipulated in China's Constitution and the law of regional autonomy to manage their internal affairs, including various aspects of political, economic, and cultural affairs and social development. The Tibet Autonomous Region People's Congress also passed and promulgated more than 20 local laws and separate regulations on government building, social and economic development, marriage, education, written and spoken language, the protection of resources and the environment, and so on. These provide important legal guarantees for the democratic rights of the people of Tibet and for the realization of social, economic, and cultural development in the region. At present, large numbers of Tibetan workers, intellectuals, and cadres have matured and taken up the important task of developing and managing Tibet. Over 70 percent of the 60,000-plus cadres in Tibet are Tibetans. The principal leading positions of people's congresses, people's governments, courts, and procuratorates at various levels of the Tibet Autonomous Region are filled by Tibetan cadres.

On the economic level, Tibet's modern industry, transport, and energy projects have developed from scratch in the past 40 years or so with the great support of the central government and the people of the whole country. It now boasts a modern industry which covers more than 10 fields, including textiles, building materials, light industry, power generation and mining, and foodstuffs.

A number of trunk highways have been built on the roof of the world. International and domestic air routes have been opened, and telecommunications networks, including networks of satellite transmission and program-controlled telephones, have been built. Traditional ethnic handicraft industries have also achieved major progress, with many products finding their way into international markets. Agriculture and animal husbandry have seen sustained growth. In 1993, the total value of agricultural output was 2.3 billion yuan, total grain output amounted to 620,000 tons, and livestock on hand totaled 23.2 million head.

As its economy develops, Tibet's outstanding traditional culture has also been protected, inherited, and developed. Education, science, culture, public health, and other undertakings have all achieved tremendous progress and development. The living standards of the people of Tibet have also seen great improvement. In 1993, the total population of Tibet increased to 2.3 million from about 1 million not long after peaceful liberation. Of this number, 22.06 million were Tibetans, accounting for over 95 percent of the region's population. The average life-span of the people increased from 36 to 65.

Today, Tibet enjoys social stability, unity of the nationalities, and economic development. The people are living and working in peace, and new achievements are being made in reform, opening up, and various other undertakings. The human rights and basic freedom of the people of Tibet are fully respected and guaranteed.

All these are eloquent proof that the so-called "human rights issue in Tibet" is completely groundless.

As the Chinese representative pointed out at an UN meeting refuting attacks against China by the West on the so-called "Tibet question": "The Tibet question has nothing to do with nationality affairs, religion, or human rights. Rather, it has to do with former serf owners trying to restore the dark and backward system of serfdom which they have lost. It has to do with foreign forces encouraging and supporting them in their attempts to separate Tibet from China." "The so-called 'human rights issue in Tibet' is jointly fabricated by a handful of Tibetan secessionists and international anti-China forces. They claim that they care about and protect 'human rights in Tibet,' but in fact they are trying to use human rights as an excuse to cheat the international community and sling mud at the Chinese Government to achieve their aim of undermining national unity, the unity of the nationalities, and sovereignty and territorial integrity, and of separating Tibet from China." "They do not understand the situation in Tibet, or the efforts made by the Chinese Government to enable the Chinese people, including the compatriots in Tibet, to fully enjoy human rights. They are also unwilling to understand, because they do not really care about human rights. Their real aim is to incite national hatred, create splits among the nationalities, and undermine China's territorial integrity."

Military & Public Security

Luo Gan Views Enterprise Security System Reform

OW0505135195 Beijing XINHUA Domestic Service in Chinese 1107 GMT 5 May 95

[By reporter Liu Siyang (0491 1835 2254)]

[FBIS Translated Text] Beijing, 5 May (XINHUA)—From now on, public security organs will no longer be set up in China's enterprises and institutions. Existing public security organs in enterprises and institutions will either be deactivated or have their relationship to the enterprises or institutions readjusted in accordance with the actual situation and the principle of separating government functions from enterprise and institutional operations. At the same time, efforts will be made to improve local public security work and the security in enterprises and institutions.

According to the responsible person of a relevant department under the Ministry of Public Security, the purpose of reforming the public security system in enterprises and institutions is to reduce their social burden, strengthen the government's function of serving enterprises and institutions, strengthen the self-management function of enterprises and institutions, and protect and promote the production and development of enterprises and institutions in an even better way.

The Ministry of Public Security today held a telephone conference on reforming the public security system of China's enterprises and institutions. Luo Gan, state councillor and deputy secretary of the Central Commission on Politics and Law, addressed the conference and called on all localities and all departments to consider the interest of the whole and actively take the initiative in reforming the public security system in enterprises and institutions.

It is reported that the system of setting up public security organs in enterprises and institutions was gradually adopted under special historical circumstances in China. Over the past decade or so, public security organs in enterprises and institutions have played a positive role in maintaining internal order, strengthening internal security, and ensuring smooth production and construction. However, with the changing situation, such a system—under which the functions of government are mixed with those of enterprises and enterprises and institutions perform a part of the government's law-enforcement functions—cannot meet the needs of establishing the socialist market economic structure, deepening enterprise reform, and improving socialist democracy and the legal system; nor does it meet the demand for changing government functions and separating them from those of enterprises.

Luo Gan emphasized during the telephone conference that after reforming the public security system of enterprises and institutions, their internal security must be

further strengthened, not weakened. He said: According to relevant laws, enterprises and institutions must strengthen their security work, and their legal representatives shall assume full responsibility for their internal security. This is an indispensable requirement for strengthening the security work in enterprises and institutions under the new circumstances. This is also the fundamental method for the comprehensive management of public security.

Luo Gan also urged governments at various levels to adopt effective measures to improve public security work, increase their investment in public security organs in terms of manpower and financial resources, and ensure that local public security organs are capable of maintaining both public order and security in enterprises and institutions.

During the conference, Minister of Public Security Tao Siju put forward concrete demands for reforming the public security system in enterprises and institutions.

Jiang Puts Armed Police Under Political Bureau
HK0605064595 Hong Kong MING PAO in Chinese 6 May 95 p A2

[Article by reporter Yuen Ping (5913 0365): "Jiang Zemin Relies Heavily on Armed Police, Issues Order that Armed Police Force Is at Political Bureau's Command; 400 Shandong 'Tigers' Selected To Strengthen Security in Zhongnanhai"]

[FBIS Translated Text] A Beijing source told this reporter that though the CPC Central Committee had made a decision earlier to place the armed police force under the command of the Central Military Commission (CMC), CPC General Secretary Jiang Zemin recently ordered that the force come directly under the CPC Political Bureau. A few days ago, Jiang also selected 400 crack soldiers from the force to reinforce the central guards regiment, which is responsible for the security of Zhongnanhai.

As May set in, the tension in Beijing mounted further. Though the city remains calm, no public security officer (including those of the railway police) is allowed leave before 4 June. The Beijing Garrison Command has been instructed to be on secondary [er ji 0059 4787] alert. The authorities are very sensitive to anything unusual.

On the evening of 3 May, when Qinghua University held an evening party to mark the 4 May Movement, the Ministry of State Security sent a large number of plainclothes policemen to oversee the activity for fear of something unexpected.

Since 1 May, the 2,000 police sent by the Beijing authorities have been on the beat in Beijing's urban areas. The Beijing "Patrol Ordinance" has vested these police with considerable authority. Being responsible for public security, traffic, industrial and commercial administration, and other matters, they have the right to interrogate any pedestrian "suspected of doing something unlawful" or even to take him to a local police station for further examination.

The source said: Though CPC General Secretary Jiang Zemin is concurrently chairman of the CMC and has tried in every possible way to control the troops over the last few years, he is not fully confident that the troops will obey him. The military force in which he has most faith remains the armed police, led by his trusted subordinate, Ba Zhongtan.

According to the source, the million-strong armed police are better equipped than other military forces, even regular troops of the People's Liberation Army. They are equipped with all modern weapons, apart from aircraft, tanks, and artillery. Lieutenant General Ba Zhongtan, commander of the armed police force, was formerly commander of the Shanghai Garrison Command. He has been closely associated with Jiang, and the retired general was promoted to his present position following the "4 June" incident. As a result, the status of the armed police force was greatly enhanced.

It has been learned that the close relations between armed police corps and local governments in some localities prompted the central authorities to incorporate the armed police force into the Army, placing it under the CMC, in an attempt to cut its ties with local governments.

According to the information obtained a few days ago, however, Jiang required the armed police force to come under the CPC Central Committee Political Bureau. This actually means that Jiang will assume direct command of the forces, bypassing the CMC.

Again, the 400 soldiers Jiang recently transferred from the armed police force to the central guards regiment to protect Zhongnanhai are all natives of Shandong. Soldiers of Shandong origin are famous for their loyalty and bravery. The 400 soldiers are not only absolutely reliable politically, but also are top soldiers and sharpshooters.

According to another source, in order to strengthen control over the central guards regiment, Jiang is planning to place the regiment under Ba Zhongtan, commander of the armed police force.

General**State To Allocate Funds To Help Firms Achieve Potential***HK0705074195 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 7-13 May 95 p 8*

[By Liu Weiling: "Major Funds Planned For State Firms"]

[FBIS Transcribed Text] Despite tight finances this year the State is expected to allocate \$5.6 billion to help enterprises tap their productive potential, conduct technical renovation and develop new products.

According to Vice-Finance Minister Zhang Youcai, most of the allocation from State coffers will go to enterprises with good economic performance.

He noted China has gradually increased expenditures in the field as outdated technologies continue to strain many State enterprises.

Last year, China budgeted 40 billion yuan (\$4.8 billion) in technical upgrading efforts, more than double the figure of 1992. The country's total investment in the field since 1978 has reached 1,000 billion yuan (\$119 billion). Zhang urged local finance departments to strengthen supervision of capital allocations to ensure the money is used for technical renovation.

Yu Gesheng, director of the ministry's Industrial and Transportation Department, said State enterprises can budget their own capital of about 160 billion yuan (\$19 billion) each year.

He noted that China has made a series of policies to support enterprise reform and to expand enterprises' own finances.

These policies include allowing enterprises to hike their depreciation rate, accelerate depreciation of equipment in key industries and retain their after-tax profits.

State industrial enterprises can now take depreciation charges of nearly 80 billion yuan (\$9.5 billion) and hold about 60 billion yuan (\$7.1 billion) of their after-tax profits every year.

But some enterprises have skimped on technical renovation while others have improperly poured their capital into infrastructure projects or nonproductive projects.

China's top leaders have given full attention to the renewal of technologies at State-owned firms.

Both President Jiang Zemin and Premier Li Peng highlighted the importance of technical progress in enterprise reform at a technical renovation exhibit in Beijing last week.

Since 1991, about 4,000 science and technology achievements have been applied to production.

In 1992 alone, 17,000 enterprises developed new products, bringing sales value of 180 billion yuan (\$21.4 billion).

Government Confident About Controlling Prices*HK0805055795 Beijing LIAOWANG in Chinese No 13, 27 Mar 95 p 7*

[By staff reporter: "Government Has Confidence in Controlling Commodity Prices"]

[FBIS Translated Text] What is the trend of commodity prices at the beginning of the year? Are prices going up or down? Whether or not inflation can be capped at 15 percent is an issue people are most concerned about. With this key issue of public concern in mind, we interviewed the people concerned at the market and price regulation and control department of the State Planning Commission.

Overall Level of Commodity Prices At the Beginning of the Year

Since the central and local governments at various levels adopted diverse regulatory and control measures to contain spiralling commodity prices in November last year, the rise of commodity prices has slowed down and has begun to decrease. In November and December, the retail commodity prices were up 25 percent and 23.8 percent respectively over the same period of the previous year, a successive drop of 1-2 percentage points.

In January this year, even though demand for commodities was relatively high and purchasing power was strong as a result of the New Year and the Spring Festival, the rate of increase in commodity prices continued to decline over the corresponding period of last year.

The statistics for January released by the State Statistics Bureau showed that the monthly chain index for January this year rose while the index of comparable items dropped. The index of retail commodity prices in January rose 21.2 percent, representing a drop of 2 percentage points over December 1994. The indices of comparable items in February and March are expected to continue to fall.

An Urgent Task Is To Stabilize the Prices of Chemical Fertilizers and Other Means of Agricultural Production

The commodity prices frequently discussed at the beginning of the year focus on two main points: First, grain prices still rose in some localities in the spring. Moreover, with the arrival of the spring plowing season, chemical fertilizer prices surged sharply. The rise in grain prices was effected by the reduction of grain yields. The main reasons for the increasing prices of chemical fertilizer are: First, in the past two years, the state has substantially raised the prices of oil, natural gas, coal, railway transportation, power and other commodities, thereby boosting the production cost of chemical fertilizers. Second, increase in grain prices last year has raised

peasants' enthusiasm to grow grain and a rapid increase in demand for chemical fertilizers has caused supply to fall short of demand. Third, in the last few months, chemical fertilizer prices in the international market have also surged significantly and the order price for bulk urea has risen to more than \$245 [per tonne]. Prices for the means of agricultural production such as farm chemicals, plastic sheeting, and small farm machinery have also increased to various extent. This issue has drawn the close attention of the relevant department which is taking appropriate measures.

This year, agriculture should be developed to a new stage and governments at all levels will also increase inputs in agriculture. This will enhance demand for the means of agricultural production. If the supply of chemical fertilizers cannot be guaranteed, we shall lose the foundation for achieving a bumper harvest for the whole year. If chemical fertilizer prices rise too sharply, it will considerably offset the material benefits the peasants gain from the raised prices of grain and cotton, dampening the enthusiasm of peasants for production and adversely affecting their inputs into agriculture as well as the production and supply of grain and cotton. As a result, it will directly boost the prices of grain and cotton and make it more difficult to combat inflation. For this reason, governments at all levels will take vigorous measures:

1. Increase production, carry out measures for imports, and balance overall volume well. Early this year, the State Council set aside 2.5 billion yuan in reserve funds for enterprises engaged in production of chemical fertilizers and farm chemicals. It calls on all the production enterprises to first complete their production tasks for the first half of the year. The import volume of chemical fertilizer set by the state should also be accomplished. Railway departments and agricultural means of production companies at various levels should actively take orders and make adjustments to ensure that chemical fertilizers can be delivered to the peasants in good time.

2. Implement state pricing policies and stabilize chemical fertilizer prices. The general requirement is that chemical fertilizer prices should remain relatively stable and that the prices of chemical fertilizers to be actually bought by the peasants should be prevented by all possible means from further increasing. Efforts should be made to reduce excessively high prices in some localities. It should be clearly stipulated that: the ex-factory price of produced urea under the production plan of large chemical fertilizer enterprises managed by the central government should not exceed 1150 yuan per tonne; the price of imported chemical fertilizers should be set on the agency basis with foreign trade commissions charged in accordance with the relevant state regulation. The standard of dispatching charges should be rigidly formulated so that no excessive profits can be made from it.

3. The retail prices of chemical fertilizer should be strictly managed and rationally set by various provinces.

The general requirement is to maintain relatively stable prices. Retail prices should not be badly managed, still less should they be changed every day. The operational departments should use profits to make up for losses, but they should not incline toward setting high prices.

In terms of agricultural production, our country uses a large quantity of chemical fertilizers mainly in the spring. From April to June is the peak season in terms of demand for chemical fertilizers, which accounts for 70 percent of the chemical fertilizers used for the whole year. Thus, an urgent task at present is to achieve stability in chemical fertilizer prices and other means of agricultural production in order to maintain the enthusiasm of the peasants to grow grain, ensure stable production of grains, cotton and other agricultural products, and stabilize commodity prices.

Analysis of the Price Trend for the Whole Year

First of all, the central government has taken curbing inflation as the main task for this year. Many localities have implemented a "leadership responsibility system" toward price work under which the ability to control runaway inflation is used to evaluate leaders' achievements.

Second, in light of the upward movement of commodity prices last year, the state is to continue adopting a moderately tightened financial and monetary policy designed to strictly control the size of investment and credit. Since all macroeconomic targets are set on the basis of the core task of curbing inflation, they have created a good macro-environment for stabilizing commodity prices.

Furthermore, the role of policy-related price adjustment in boosting prices will be greatly reduced. To ease inflationary pressure, the state requires governments at all levels not to introduce price-adjustment measures in the first half of this year. This will have a positive effect on combating the upward movement of commodity prices.

Judging from agricultural production, the scarce supply of the main agricultural products is likely to improve. With regard to a significant increase in agricultural commodity prices and the problems arising from the weak foundation of agricultural production, the State Council and all local governments have increased inputs in agriculture and adopted a series of measures to increase agricultural production and income since the second half of last year. This year, the sowing areas for grains, cotton and oil-bearing crops will be larger than last year. If no relatively big natural disasters occur output of the main agricultural products will increase, thereby improving market supply.

In addition, the main factors putting upward pressure on commodity price such as tax reform, wage reform, foreign exchange and foreign trade structural reforms, are to ease this year.

Meanwhile, in economic operations, there are also some factors adversely affecting a drop in commodity prices such as: the rising commodity prices last year had a relatively great impact on prices this year. It is estimated that this will boost prices by about 10 percentage points while prices of principal commodities that need to be imported have soared substantially in the international market. The upward pressure exerted by costs on commodity prices will continue to be released rapidly. Therefore, it is still very difficult to fulfill the target of controlling the overall level of commodity prices. In short, the central and governments at all levels are confident about fulfilling their target in controlling commodity prices, namely, "strive to achieve a remarkable drop in the index of retail commodity prices and control it within 15 percent."

Ruan Chongwu Briefs Official on Enterprise Reform

HK0805064795 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 19 Apr 95

[FBIS Translated Text] On the afternoon of 19 April, Ruan Chongwu, secretary of the provincial party committee and governor of Hainan, met Wang Zhongfu, director of the State Industrial and Commercial Administration, in Haikou's Qiongyuan Hotel.

At the meeting, Ruan Chongwu gave a briefing Wang Zhongfu of Hainan's work in reforming the enterprise registration system and adopting computerized management method, and expressed gratitude to the State Industrial and Commercial Administration for its support. Ruan and Wang also exchanged opinions on relevant issues. Wang Zhongfu primarily wants to see how Hainan strengthens market regulations and cultivation during his visit to this province.

Vice Minister Emphasizes New Mentality

OW0805105195 Beijing XINHUA Domestic Service in Chinese 2106 GMT 8 May 95

[By reporter Wang Zhenhong (3769 2182 1347)]

[FBIS Translated Text] Shenyang, 8 May (XINHUA)—Chen Qingtai, vice minister of the State Economics and Trade Commission, said that under the present market economic conditions, state enterprises must change their mentality in six areas. He made the statement at a Liaoning symposium on ways for enterprises to accelerate their transition to market economy.

Chen Qingtai said: In China's transition from a planned economic structure to a market economy, profound changes have taken place in both the external and internal environment in which state-owned enterprises operate. From a seller's market which existed over an extended period, we have entered a buyer's market. From a closed domestic market, we have entered an integrated domestic and foreign market. The method of resources allocation for enterprises has changed from

centralized state allocation to allocation by market forces. The goal of enterprises has changed from one of fulfilling state-set targets to one of pursuing returns. Enterprise management has expanded from directing production to making policy decisions independently and taking responsibility for profits and losses. The fate of an enterprise has changed from one of eternal existence to one of conditioned existence, and its role has changed from a subordinate of the government administration to an independent legal entity.

Chen Qingtai said: Under these circumstances, state-owned enterprises must change their mentality in six major areas: Instead of holding themselves accountable for the fulfillment of state plans, they must regard consumers as their bread-and-butter. Instead of pursuing speed and output value, they must pursue practical returns. Instead of waiting for the state to arrange funds, market, work assignments, and projects, they must become independent and self-reliant and try to promote themselves and open the market by themselves. Instead of harboring the mentality of "everyone eating from the same big pot" of the state, they must cultivate a sense of risk-taking for profits and losses. Instead of waiting for the state to look after them, they must have their feet firmly planted in their work. Instead of acting only at the direction of the state, they must do according to the market. Only when state-owned enterprises truly change their mentality in these six areas and enter the market with a strong determination will they be able to transform their superiority in personnel, technology, and resources into economic superiority and accelerate their transition to the market economy.

Law Details on Protecting Financial Order Reported

HK0605070595 Beijing CHINA DAILY in English 5 May 95 p 1

[By Ma Chenguang: "Death Penalty Weighed"]

[FBIS Transcribed Text] China's top legislature today will review a new bill that could impose the death penalty on illegal financial manipulators. The bill is aimed at safeguarding the nation's financial order.

With the Decision on Punishing Criminals Charged For Disrupting Financial Order, Chinese lawmakers are determined to mete out maximum punishment to these culprits, changing it from a life sentence to the death penalty.

With the financial sector starting to play a growing role in China's economic advances, financial irregularities have increased over the past few years and the sums involved have escalated to huge figures.

In some localities, more than half of the major crime cases were connected with financial culprits, an official in the General Office of the Standing Committee of the National People's Congress (NPC) said yesterday.

The draft 22-article bill targets offenders in seven major categories and will supplement China's Criminal Law that sometimes fails to cover financial law-breakers using modern devices, the official said.

The decision, together with four other draft laws, will be submitted to the NPC Standing Committee that begins its six-day 13th session today in Beijing.

The four other bills concern commercial banks, officers of the reserve force, negotiable instruments and energy conservancy.

According to Lang Sheng from the Legal Affairs Commission of the NPC Standing Committee, the financial decision will first target those who fake China's legal tender, the renminbi.

Those involved in serious cases of counterfeit currency and causing grave consequences will be given death penalty.

For people who consciously use counterfeit currency to buy goods, or who knowingly cheat clients with fake money, heavy punishment will also be imposed, he said.

Lang acknowledged that a large sum of fake currencies, mostly brought in from overseas, are now circulating in the mainland.

The second category of penalties, Lang said, is imposed on offenders responsible for financial frauds.

These include those who open banks without authorization, cheat people of their deposits or defraud banking organs with forged documents.

Lang noted that the decision also covers penalties to be given to those who use fake letters of credit, credit cards or negotiable instruments or forge accidents to cheat for insurance compensation.

The decision also contains strict penalties on employees in banking organs who mastermind financial defrauding, Lang noted.

Examination Rules for Advertisements Announced

OW0505134795 Beijing XINHUA in English 1336
GMT 5 May 95

[FBIS Transcribed Text] Beijing, May 5 (XINHUA)—China has for the first time promulgated regulations concerning the examination of advertisements for China- and foreign-made medicines, medical equipment, pesticides and medicines for livestock, an obvious sign of strengthening the regulation of its fledgling advertising market.

Under the new regulations, advertisements for these commodities, which are considered of vital importance to the economic development and people's lives, are subject to strict examination and approval procedures before being allowed to be put into print.

The examination standards, concerning the design, image, and wording, will be worked out by the authorized advertisement supervision authorities.

Samples of the finished advertisement, instead of merely materials to be included, must be submitted for examination.

Advertisements to be carried by the China Central Television Station and the "People's Daily," the leading national mass media, must be examined and approved by the Ministry of Public Health, the State Pharmaceuticals Administration and the Ministry of Agriculture.

Ads carried by other media will be examined by the related departments at provincial level.

The State Administration for Industry and Commerce is entrusted with the supervision and regulation of the advertising industry, with the responsibility of setting examination standards, giving guidance to the examination bodies, supervising the publication of advertisements and handling cases of violations of the regulations.

The examination standards and methods which were announced today jointly by the State Administration for Industry and Commerce, the Ministry of Public Health, and the State Pharmaceutical Administration, will go into effect on June 1.

The producers, sellers or advertisers of any of the above types of commodities are required to submit copies of advertisements already in print to the concerned authorities for examination between June 1 and July 1.

Certificates of advertising permission already issued, whether outdated or not, are considered invalid.

According to sources, China is also working out examination regulations for ads for other commodities.

Detailed Standards To Ensure Accuracy in Medical Ads

HK0705064795 Beijing CHINA DAILY in English 6
May 95 p 1

[By Ma Zhiping: "Medical Ads Get Check-Up"]

[FBIS Transcribed Text] An examination system will soon come into effect for four kinds of advertisements to ensure their accuracy and to safeguard customers' interests.

"The new system... will involve advertisements made for medicine, medical equipment, farming chemicals and veterinary medicine," said Yang Peiqing, deputy director-general of the State Administration for Industry and Commerce (SAIC), the national advertising watchdog.

To go with the new system is a set of detailed standards and rules to govern the examination and to serve as guidance for the production of advertisements.

"Advertisements concerning the four kinds of products are key supervision targets of our law-enforcing work, since they are closely related to the safety of people's life, property and the safety of agricultural and animal-husbandry production," said Yang.

She noted that the main problem with these advertisements is that many overstate the function and effects of medicine and medical equipment. Others have misled consumers by making unscientific claims such as "the medicine can cure all kinds of illnesses" or "the farm chemical is sure to raise production."

The new examination system, jointly set up by SAIC, the Ministry of Public Health, the State Pharmaceutical Administration and the Ministry of Agriculture, is expected to solve the problems effectively, said the official.

The examination system will cover the words, pictures and images of finished advertisements, as opposed to the former practice of checking only the source materials for advertisements, according to Liu Baofu, director of the advertisement department under the State administration.

He said the Ministry of Public Health, the State Pharmaceutical Administration and the Ministry of Agriculture will examine advertisements for the four kinds of products to be broadcast or shown on important media services such as the China Central Television, People's Daily and the China National Radio.

Concerned provincial administrations will be responsible for examining advertisements to be issued by media services at the provincial, city and regional level.

"Those who produce or market medical products should apply for new approval certificates from administrative organs above the provincial level starting from June," said Liu.

From July 1, all ads which are issued without official examination and approval will be treated as illegal advertisements and producers will be penalized.

Nation Strives To Develop Communications

OW0705141695 Beijing XINHUA in English 1344 GMT 7 May 95

[FBIS Transcribed Text] Beijing, May 7 (XINHUA)—A senior official from the State Planning Commission (SPC) said here today that China would adopt a series of measures to support the development of communications and transportation.

The measures include establishing special funds and using more foreign capital for the sector.

On an international seminar on communications and transportation opened today, Vice-minister of the SPC

Gan Ziyu said that investment would be increased in the development of national-wide or inter-regions communications infrastructures.

Priority would be given to communications projects in arranging funds and foreign loans from international organizations and foreign countries, according to Gan.

He said that the government would establish special funds so as to ensure a long and stable financing source for the development of traffic infrastructures.

China has set ambitious targets for the year 2000 in the communications sector. By then, the railway mileage will come to 70,000 kilometers and the highway mileage, 1.25 million kilometers, while the coastal deep berth reaching 530 and the ports' handling capacity by about one billion tons. A number of important airports will be built in Beijing, Guangzhou, Shanghai and other places.

To fulfill the target, the country will spare no efforts to raise money for the rapid development of the sector, Gan said.

China is now encouraging central government units, provincial organizations and firms to jointly build railways, roads and seaports.

Meanwhile, it encourages foreign investors to build railways, roads, ports and airports in cooperation with Chinese partners.

Statistics show that by the end of 1994, China had had 58,900 kilometers of railways, 1.11 million kilometers of traffic highways, 1.35 million kilometers of navigation water lane and 222 major coastal ports.

Gan admitted that in spite of great development, the capacity of communications and transport facilities is still inadequate comparing to the requirement of national social and economic development.

Automobile Production Maintains 'Steady Development'

OW0705144395 Beijing XINHUA in English 1417 GMT 7 May 95

[FBIS Transcribed Text] Beijing, May 7 (XINHUA)—China's automobile market maintained a steady development in the first quarter of this year.

Major domestic auto manufacturers produced 303,000 autos in the first three months, an increase of 10.3 percent over the same period of last year.

The sales volume reached 306,000, up by 16.03 percent, while the auto reserves were 47,000, down 4.47 percent.

Mini-car was still best-seller in China's auto market, due to the huge taxi and private-consuming demand.

In the first quarter, the output of mini-car hit 55,000, while the sales reached 58,000, up 46.89 percent and 48.91 percent respectively over the same period of last year.

Production of cross-country vehicles was increased to 22,000, which was equal to the sales volume.

There was no obvious development of the sedan market. However, the stock reserve was decreased by 61.83 percent, as compared with the same period last year.

Nuclear Power Plant Reportedly Given 'Green Light'

HK0605031295 Beijing ZHONGGUO XINWEN SHE
in English 1400 GMT 5 May 95

[FBIS Transcribed Text] Beijing, May 5 (CNS)—According to a source from the China Nuclear Investment Company, the nuclear power plant project in Liaoning province has been given the green light to go ahead by the government bureau concerned.

The site of the Liaoning nuclear power plant is located in Wentuozi of Donggang Township in the east of Wafangdian city in the province. The overall power generation capacity is four million kilowatts and in the phase one project, two Russia-made model WVER 1000 steam turbine generators each of one million kilowatts will be built alongside auxiliary electricity supply projects, thus involving a total investment of 27 billion yuan.

The required capital comes from loans from the Russian government, the China Nuclear Investment Company, the Liaoning provincial government and the Northeast China Power Group.

The nuclear power plant will be designed by the Russians while the construction will be shouldered by the Second Nuclear Power Research Institute and the Northeast China Electricity Institute.

From feasibility studies that were first launched 15 years ago, the Liaoning nuclear power plant project finally gets the go-ahead from the government. Preliminary preparation for the project has already commenced.

Implementation of 3 'Golden' Projects Accelerated

HK0605075495 Beijing ZHONGGUO XINWEN SHE
in English 0410 GMT 6 May 95

[FBIS Transcribed Text] Beijing, May 6 (CNS)—China is speeding up the "Three Golden Projects" in a bid to give an impetus to the information processing of the national economy.

"The Three Golden Projects" refer to the following three projects:

"The Golden Bridge Project": namely a national economic information telecommunications network for public use, which is one of the basic facilities for China's economic and social information process. The network can be expected to be able to transmit data, documents, human voice and pictures to serve as a complete telecommunications system by providing satellite networks and optical fibre cable networks for the financial sector, customs, foreign trade sector, tourism, meteorological

observation, traffic service, state security, as well as scientific and technological sectors.

"The Golden Customs Project": serves as an initial stage of "the Golden Bridge Project" and is an applied information system covering service items such as tax return from export products, quota permits administration, sales of foreign currency at banks by export-oriented enterprises, import and export trade statistics for customs, export-oriented enterprises as well as foreign currency control and taxation departments.

"The Golden Card Project": aims at gradually offering an electronic service system for savings, withdrawal and payment by publicizing the use of credit cards and debit cards through the "Golden Bridge" network. China plans to issue some 200 million credit cards and debit cards in 400 cities within ten years.

"The Three Golden Projects" have now been implemented and significant progress has been achieved, which has promoted relevant departments to map out corresponding "golden" projects. For example, the "golden taxation project", which is a taxation administration information system covering the entire country; the "golden enterprise project", which is an information system for nationwide industrial production and circulation; "the golden agricultural project", a comprehensive agricultural management and service system; as well as the "golden macro-control project", a macro-control system for the national economy.

Experts believe the "Three Golden Projects" will not only promote development of the electronic information industry in China, but also offer many opportunities for foreign investors.

Economic Cooperation in Huang He Valley 'Successful'

OW0605115495 Beijing XINHUA in English 0638
GMT 6 May 95

[FBIS Transcribed Text] Beijing, May 6 (XINHUA)—Economic cooperation among areas in the middle reaches of the Huang He has proved successful.

The cooperation links were established among Yuncheng in north China's Shanxi Province, Weinan in northwest China's Shaanxi Province and Sanmenxia in central China's Henan province ten years ago to promote common economic development.

The area is a juncture linking the three provinces, and also China's eastern and western parts.

So far, a cooperation network has been set up, covering such sectors as transport, telecommunications, tourism and agriculture.

Construction of basic facilities was strengthened during the past ten years. The Sanmenxia Highway Bridge and Fenglingdu Highway Bridge over the Huang He were jointly built to make transport across the river more

convenient. High-grade highways linking the three provinces is also in consideration.

Meanwhile, a complete telecommunications network has been set up and a regional markets have been linked up.

Agriculture in the three large grain production bases has been strengthened. Some 100,000 ha of high-yield wheat and 100,000 ha of cotton have been developed in the triangle area.

Freeing of Livestock Prices Gives Boost to Economy

OW0705044095 Beijing XINHUA in English 0256
GMT 7 May 95

[FBIS Transcribed Text] Hohhot, May 7 (XINHUA)—The freeing of the livestock selling price last year has given a boost to the local livestock markets in the eastern part of the Inner Mongolia Autonomous Region and brought extra income for herdsmen.

For example, the total market trading volume in the 200,000-sq [square]-km Xilin Gol Grassland reached 350 million yuan-worth last year, accounting for 27.3 percent of total retail sales volume in the area, according to a local official.

That yielded a total of 10.68 million yuan in tax revenues for the local government last year, more than eight percent of the budget.

Accordingly, local herdsmen saw their per capita net income rise by 173 yuan to 1,932 yuan last year.

Unir, a Mongolian herdsman, said that he sold 120 sheep, 18 cows and ten horses, and earned more than 50,000 yuan last year.

"Previously we got a bunch of IOU [I owe you] slips after selling our livestock to the government, but now we have the right to sell to whoever pays the highest price, and the money is in our hands instantly the deal is done," he said.

Currently there are two major livestock wholesale markets, 12 township-level livestock wholesale markets and more than 60 smaller-scale markets in the area.

Telecommunications Industry Foresees Large Growth

HK0705073895 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 7-13 May 95 p 1

[By Xiao Gao: "Advances in Telecom Ring Clear"]

[FBIS Transcribed Text] China's posts and telecommunications industry, one of the country's fastest-growing sectors, is expected to increase business turnover by 39 per cent this year to hit 83 billion yuan (\$9.88 billion), a senior official noted.

Zhang Mingde, president of the China Academy of Telecommunications Research and Planning affiliated

with the Ministry of Posts and Telecommunications (MPT), said China's posts and telecom units should achieve 80 billion yuan (\$9.52 billion) in business income this year, up 42 per cent from last year's 56.2 billion yuan (\$6.69 billion).

He expects the sector's capacity to increase by big margins in the coming years.

In 1995, telephone lines for long-distance service will reach 1 million across the country-300,000 more than in 1994.

And 14 million more switchboards are expected to be installed this year, bringing the nation's total switchboards to 62.87 million.

This year, China will have 4.5 million more pager users and total subscribers will increase to 12 million, including 1.5 million of mobile phone users.

At the same time, the nation's digital data network will link 500 economically advanced cities and counties. The network was opened last October linking 21 provincial capital cities.

Zhang said 4.2 per cent of China's population will possess telephones and the proportion in cities will come to 17 per cent.

Government statistics show that China's subscribers totalled 28.8 million in 1994, 1.57 million of which are cellular phone users. There were 10.27 million pager users last year.

Zhang said the country will make great efforts to develop the public telephone business this year. Public telephones nationwide will total 540,000 this year, increasing 270,000 from 1994.

"To fulfill the goals in 1995, posts and telecom departments will continue to hasten the construction of communications infrastructure and upgrade the operation and management of the telecom network," Zhang said.

China has finished construction on 17 of 22 fibre-optic cables listed in the Eighth Five-Year Plan (1990-95). The remaining cables will be completed this year.

In addition, the country will reinforce the capacity of international telecom networks. Countries and regions with which China has established direct telecom lines are expected to reach 60 from the current 50.

Up to 1994, China had opened a total of 23,000 international telecommunication lines, 98 per cent of which have gone digital.

Zhang said that posts and telecom departments should expand their business scope in accordance with market demand.

Researcher on Need for Greater Enterprise Efficiency

HK0605070695 Beijing CHINA DAILY in English 5 May 95 p 4

[By Fu Jian: "Enterprises Must Be Efficient"]

[FBIS Transcribed Text] Higher efficiency must be cultivated in Chinese enterprises so problems of huge stockpiles and debts can be solved.

Enterprises that have survived and expanded in market competition should be supported by government policies, but those poorly operated should be auctioned, merged or left to go bankrupt, said Liu Shijin, a researcher with the Development Research Centre under the State Council.

"Only this way can capital be injected into the most needy sectors, and the enterprises' efficiency be enhanced," said Liu.

While demonstrating a "sustained, steady increase in national industries" in the first three months of this year, the quarterly report of the State Statistics Bureau (SSB) indicates that a drop in efficiency of national industries and their failure to repay debts remain two major problems in economic development.

Despite fast growth of 14.4 per cent in national industrial increment output value, the comprehensive efficiency index of industrial economy was 2.5 percentage points lower in the first two months compared with the same period last year.

About 180 billion yuan (\$21 billion) of goods produced by State-owned enterprises were stockpiled by the end of the first quarter.

The net value of uncollected receivable accounts of enterprises was 400 billion yuan (\$48 billion) at the end of March, seven billion yuan (\$835 million) more than at the end of last year.

"Stockpiles and bad debts mainly occur in enterprises in heavy industries, such as coal mining, metallurgy and machinery," Liu said. "These industries are dominated by State-owned enterprises, which are not so flexible in transforming their product according to market demand."

The SSB report shows that growth in heavy industries in the first quarter was 10.1 per cent, while light industry developed by 20.2 per cent.

Many State-owned enterprises act slowly to market demands and some fail to find an existing market for their products. Thus stockpiles grow bigger.

To sell their products, these enterprises deliver goods to buyers before being paid. However, they dare not press debtors for payment for fear of losing their business.

Failing to collect their accounts receivable, they have to delay payment to their own creditors.

The government asked State banks to grant loans so some enterprises could pay their debts and start vigorous operation, but enterprises continued to delay payment after using up the money. Transformation of their products still lagged behind.

According to Zhong Qirui, deputy director of the Department of Plan and Capital under the People's Bank of China, bank loans to enterprises have been increasing despite the tight money policy in recent years.

In 1992, 1993 and 1994, the years in which the gross national product (GNP) increased by 12.8 per cent, 13.4 per cent and 11.8 per cent respectively, bank loans to enterprises have increased at rates of 19.7 per cent, 22.5 per cent and 22.1 per cent.

But the low efficiency of enterprises has turned the money into waste.

According to SSB statistics, about 50 per cent of newly invested working capital in the enterprises resulted in nothing but huge inventories.

The government decided to invest less money for bad debts since 1993. This year it stressed its determination to let the enterprise managers resolve their problems.

Since last November, the Ministry of Coal Industry, which is one of the most affected by uncollected payments, started implementing a policy of delivery upon payment. Some enterprises of metallurgy and railway industries have adopted similar measures.

The measures may save these enterprises, but will bankrupt too many others indiscriminately. Some enterprises, which in other times would be rescued, will have no other option but to go bankrupt.

"The most important solution to the problem lies in improving enterprises' efficiency," said Liu.

Many enterprises losing money, which cannot be transformed into limited companies according to the company law, can be sold to or merged by other enterprises, he suggested. Only those well-operated should remain as they are.

"Good enterprises should be given more priority in financing," Liu said. "For example, big names in industrial production should be allowed to list in securities markets or become stockholders of commercial banks."

"Under a tight money policy, funding is precious and should be used in industries that are fundamental and essential to the national economy," he said, "while the securities and real estate industries, which absorbed too many funds in recent years, should be restricted within a proper expansion."

Economists Discuss State Property Rights

HK0805020095 Beijing JINGJI RIBAO in Chinese 21 Mar 95 p 7

[Article by Ma Hong (7456 3163) and Liu Shijin (0491 0013 6930): "How To Correctly View the Reform of the State-Owned Property Rights System"]

[FBIS Translated Text] During the process of deepening the reform of state enterprises, the reform of the state

property rights system has long been an issue of popular concern. Viewed from the angle of enterprises, the property rights system constitutes a foundation for the entire enterprise system, and without rational property rights relations, it is hard for enterprises to rationalize other internal relations between themselves. At present, however, people have a divergence of opinion on this issue. Some comrades have cast great doubts on reform in this aspect, reckoning that the reform of the property rights system will eventually lead the whole structure to lapse into the quagmire of overall "privatization." The serious drain on state-owned assets in recent years has added to the doubts and misgivings of these comrades. On the other hand, there indeed exist some people who regard the reform of the state property rights system as a process of "appropriating and privatizing public property." Though with different points of departure, the above two groups of people virtually share an identical, or to say similar, belief that "the property rights reform is tantamount to practicing privatization." One question thus arises: Under the prerequisite of upholding public ownership and opposing the practice of "privatization," is there the necessity and feasibility for property rights reform? We should say that both economic theory and practical experience have given a positive answer to this question.

The understanding that "the property rights reform is tantamount to practicing privatization" is actually backed by the judgment that "private ownership enjoys a higher efficiency than the public ownership." This judgment does not tally with the facts and is therefore metaphysical. Ever since the enactment of reform, we have allowed and appropriately encouraged the development of both the individual and private economies; nowadays, the large amount of foreign investment we have introduced during opening up is privately owned, while a total of over 2,000 billion yuan of financial assets in the hands of the country's residents is also considered "privately owned" in nature. It can be said that individual or "private" economic sectors have played and are still playing a considerable role in China's economic life. In the future, we will continue to adhere to the policy of appropriately encouraging and supporting the development of the individual and private economies. However, this does not mean that the private economy is necessarily superior to the public-owned economy, or that the private economy will eventually "become dominant and all-embracing." The public-owned economy, which includes the state-owned economy, plays a significant and irreplaceable role in the gradual establishment and improvement of a new socialist market economic structure; moreover, it still occupies a dominant position in the entire national economic development. This has already been proved by practice and experience over the past 10-odd years of reform and opening up. The rapid development of China's economy during this period should be attributed mainly to various public-owned economic elements. Take the industrial sector. The output value created by state-owned and collectively

owned industries in 1993 accounted for 80 percent of the country's total industrial output value. This shows that even from the angle of economic efficiency, we have no way to prove that the private economy is superior to the public economy. A correct understanding may therefore be that elements of different ownerships can display their respective superiorities in different fields. From an overall point of view, we should say that economic elements of public ownership should continue to be a leading factor in the national economy. Of course, our adherence to public ownership is not merely based on our consideration of economic efficiency, and we must take into account both the fairness of social distribution and the special characteristics of our system.

On the other hand, by stressing the importance of upholding public ownership in a socialist market economy, we do not mean to stick to the old form of public ownership which suited the traditional planned economy, neither do we mean to say that the old form of public ownership needs no reform or has little room for reform. On the contrary, we believe that only by conducting a thoroughgoing reform of the fundamentals of the old public ownership, especially the old state ownership, can we effectively uphold public ownership, which includes state ownership, in a socialist market economy in real terms. As far as the reform of state-owned property rights system is concerned, we believe efforts should be extended to mainly tackle the following several issues:

First, it is imperative to assign fixed persons and organs to assume the responsibility for the management of state-owned assets. State-owned assets belong to the whole people theoretically and legally. Due to the high costs of operation, however, it is impossible for the whole people to get directly involved in the management and operation of state properties, thus giving rise to the concept of mandate [wei tuo dai li 1201 2094 0108 3810], as described in economics. In the past, many government departments had the right to manage state assets; however, when things went wrong and losses were incurred, no one seemed to be responsible and therefore no one was punished accordingly. Even today, enterprises engaged in the reform of the corporate system have yet to resolve the question of who can act as the shareholder of state shares.

To succeed in reforming the management and operating structure of state-owned assets, we must devote great efforts to tackle the issue of who are to assume responsibility for the management of state-owned assets. There have to be some people and organs whose immediate interests are closely bound up with the operation of state properties. When state properties are well managed, they can benefit from the good management and enjoy economic returns accordingly; otherwise, they will have to undertake economic risks, and assume both administrative and legal responsibilities. In this aspect, we have conducted certain explorations since the initiation of the reform, and also put forward many tentative ideas theoretically. We should continue to conduct experiments

of various kinds while refraining from jumping to conclusions. Today, state assets are valued at over 3 trillion yuan, and it is apparently impractical to put all these assets under the charge of the State Council; instead, decentralized management should be introduced in this respect. Even under the traditional planned economy, state-owned assets were not put under the direct management of the State Council either; otherwise, the problem of so-called "barriers between higher and lower levels and between different departments and regions" would not exist. Under the new historical conditions at present, how to install an effective system for the decentralized management of state assets and how to arouse the enthusiasm of localities and enterprises in managing and operating state assets without giving rise to new departmental and regional fragmentation at the same time has become a knotty problem. To resolve this problem, we need to observe such principles as complying with the requirements of the market economy operation instead of running against them, taking into consideration the existing interest setups, and dividing property rights between the central and local authorities in a rational way, granting to lower levels without reservation the powers which should be granted while persistently centralizing the powers which need to be held in the hands of the central authorities.

Second, the liquidity of state assets needs to be improved. Under the traditional economy structure, state assets were mainly subject to physical management [shi wu guan li 1395 3670 4619 3810]; and as a result, the monetization of state assets remained at a very low level, while their horizontal flows were restricted to a considerable extent. Such a situation still remains more or less unchanged today. Over recent years, the operation of state assets has been less satisfactory, and one major reason for that is precisely the immobility of considerable quantities of low-efficiency and ineffectively allocated state assets. The losses of state assets, which were incurred by underestimation of the value of state assets during property rights transfers in a previous period, should naturally arouse our attention. Currently, one argument holds that once state assets are owned by private sectors, regardless in what ways they are transferred, their economic efficiency is bound to improve, and therefore this gives no cause for much criticism. This argument is not tenable. This is because no one can guarantee that this small number of people, who have successfully grabbed state assets by abusing their power and authority, will invest their money in production instead of throwing money about like dirt. Moreover, gratuitously taking possession of state assets is tantamount to plundering the whole people, and is therefore an act of unfair distribution which the people resent the most. Failure to put an end to this malpractice means, in essence, being irresponsible for the cause of reform and for the future of our party and country. Therefore, when formulating corresponding rules and systems to standardize transactions in connection with state assets, we should do all we can to avoid and reduce losses of state

assets ensued by property rights transfers. On the other hand, however, we should not tie up our own hands or cut off property rights flows just because something has gone wrong with state property transfers, for immobility will lead to even heavier losses to state assets. At present, we should organically integrate the structural transformation of state enterprises with their reorganization and technical renovation; and step up the restructure of state assets by means of merger, joint operation, liquidation, and auction, as well as bankruptcy where conditions permit. In this way, we can bring about a big improvement to the allocation and utility efficiency of state assets, and gradually rationalize the order of state property rights transfers.

Third, positive competition should be introduced into the operation of state assets. Competition is one of the major features and superiorities of the market economy and it is indispensable in our effort to enhance the efficiency of economies under all kinds of ownerships. It is a common sight in real life that under different competition environments, even enterprises of the same ownership will differ greatly in their performance. The significance of competition becomes more prominent when it comes to the operation of state assets. Some comrades often cite the satisfactory performance of state-owned enterprises in certain foreign countries. One important reason for the good performance of these enterprises is that they are enjoying a sound competition environment. This has also been proved by China's practice. Most well-managed state enterprises, as well as shareholding and joint-stock enterprises under state ownership, are among those which have taken an active part in and have adapted themselves to market competition. From an overall point of view, however, the competition is still inadequate in the current operation of state assets, and the competition environment for state assets needs to be further improved.

On the one hand, the malpractice of monopoly still exists in some trades, which has not only led to an insufficient supply in production, but has also given rise to various unhealthy trends in industries and trades; while on the other hand, state-run enterprises are still subject to certain restrictions imposed by the structure and policies, and with the addition of their historical debt burdens, they have found themselves in an unfavorable position in market competition. All these problems should be gradually resolved alongside the deepening of enterprise reform, so that a positive competition environment can be created for the operation of state assets.

Fourth, it is necessary to promote large numbers of entrepreneurial personnel, who are becoming increasingly mature in practice, to leading positions in the operation of state assets. The quality and ability of the operators of state assets will directly determine the operating performance of state assets. It can be said therefore that a remarkable indicator of the success of state property rights reform is whether or not outstanding entrepreneurial personnel can be promoted to leading positions

in the operation of state assets. Since the introduction of reform and opening up, great headway has been made in fostering and promoting entrepreneurial personnel, and a large number of entrepreneurial personnel are becoming more and more mature in the practice of market competitions. Today, however, China is still short of entrepreneurial personnel, and the deficiency of outstanding talent is particularly prominent when it comes to the operation of state assets. What makes the situation look even more grim is that certain state-run enterprises have failed to keep qualified personnel from leaving, and the drain of outstanding operators remains a serious problem. Of course, such a situation has partly resulted from the existing structure with regard to the promotion and use of operators, for practices still exist that contravene the requirements of the modern enterprise system. Therefore, it has become an urgent and important task in the present reform to, while trying to keep existing able personnel, attract outstanding entrepreneurial personnel in the society to join the contingent of operators of state assets. We should be aware that there is no lack of able personnel in the society who have the potential to become entrepreneurs; in this sense, the society should try in every possible way to create conditions for them, so that they can show their ability and develop themselves. It needs to be emphasized that among the surplus staff retrenched during the institutional reform of the government, those with intimate knowledge and rich experience in economic work should be encouraged and supported to join the ranks of entrepreneurs, for it is entirely possible that outstanding entrepreneurs can emerge from among these people and that they can render meritorious service.

Electronics Industry To Focus on Information Sector

OW0805100495 Beijing XINHUA in English 0917
GMT 8 May 95

[FBIS Transcribed Text] Beijing, May 8 (XINHUA)—China's electronics industry is to shift its focus to the information sector and away from traditional manufacturing, according to a senior official with the Ministry of the Electronics Industry.

Yu Zhitian, a member of the consultancy team of the ministry, said that the country at present has 500,000 employees in the area of software and technical services, and its fledgling information industry generated an output of one million yuan (about 117,650 U.S. dollars)-worth last year.

The electronic products for information services, including computers and telecommunications equipment, have expanded their share in the electronic industry to 22 percent, compared to 14 percent in 1990.

Furthermore, the scale of the non-state sector, including private and foreign-funded firms, in the industry has maintained a rising trend over the past few years. Nevertheless, the state-owned enterprises turned out an

output value of 88.3 billion yuan last year, basically defending its leading position in the industry by occupying a 46.5 percent portion.

Statistics show that the country's electronics industry has registered an average annual growth rate around 27.5 percent for four consecutive years, with the 1994 figure hitting 186 billion yuan.

Analysts here said that the industry will keep an annual growth rate of 20 percent or more in the next few years, and basically form a new industrial structure featuring information technologies.

'Roundup' Views Acceleration of Enterprise Reform

OW0805083695 Beijing XINHUA in English 0728
GMT 8 May 95

["Roundup: China Accelerates Reforms of State Enterprises"—XINHUA headline]

[FBIS Transcribed Text] Beijing, May 8 (XINHUA)—China is adopting more effective measures to speed up the national economic reforms this year based on the progress in enterprise reform.

One of them was the election of Wu Bangguo to be vice-premier of the State Council in charge of industry.

Wu was once a factory director and a top official in Shanghai, China's leading industrial center, and is experienced in leading enterprise reform.

Full of confidence about industrial and enterprise reform, Wu said, "China's enterprises have accumulated rich experience in their reforms over the past 16 years. So long as they continue to this and are bold in making innovations, enterprise reform will have a bright future."

China has more than 70,000 state-run enterprises, serving as the main sources of the state revenue and occupying a decisive position in the national economy.

The economic strength of the state enterprises has been strengthened, and their efficiency improved over the past 16 years of national reform. The annual gross industrial output value of the state industrial enterprises has risen by 8.2 percent, and the profits and taxes delivered to the state went up by 29.5 percent during the 1992-94 period.

Owing to historical reasons, state enterprises are faced with special difficulties.

They have shouldered the burden of heavy taxation for a long time, and do not enjoy the state preferential treatment of tax exemption and reduction for foreign-funded enterprises and enterprises of other economic ownerships. Some of them are in debt and overstaffed, with worn-out production equipment, and many have to finance schools, hospitals and other services as well as employees' pensions and medical charges.

As a result, when these enterprises shift to the market economy, they are at a disadvantage, and quite a number of them are in the red.

Economists here have pointed out that these things reflect the contradictions during the transitional period when the national economy is turning from a planned to a market economy. The reform of state-owned enterprises is an arduous task, according to the economists.

To solve these problems, China has adopted many measures, including the expansion of enterprise autonomy, the implementation of production responsibility and the shift of enterprises' operational mechanisms, to enhance the vitality of enterprises and raise their economic efficiency.

Last year saw the state enterprises improve their economic results and increase their profits by 10.6 percent, exceeding the production increase by 5.7 percent.

In Liaoning, Sichuan, Guangdong and Heilongjiang provinces, and Shanghai, where major state enterprises are concentrated, enterprises have gained remarkable results in adjusting their product mix and in transforming their technology with foreign capital.

At present, the number of loss-making state enterprises in Shanghai has shrunk from 332 earlier this year to 146 at present, and the overall economic efficiency of Guangdong's state-owned enterprises has surpassed that of foreign-funded enterprises.

China carries out enterprise reform in the direction of persisting in maintaining the publicly-owned firms the mainstay of the economy. [sentence as received]

At present, state enterprises with better efficiency and enjoying good reputations at home and abroad are mushrooming in various trades and different localities.

"This fully indicates that state enterprises, under the condition of maintaining their ownership, can develop healthily through changing their operational mechanism," a government official said.

It is particularly important that China has gradually found an efficient way to enliven the national economy in line with its reality.

Summing up the experience, China's state enterprises will alter their attention from the expansion of enterprise's rights for self decision to formation of a new system; from individual reform to comprehensive reforms; and from individual enterprises to the whole of the national economy. They will concentrate on solving the problems left over for state enterprises by history on the whole.

To accomplish these objectives, the official noted, the reform measures this year include the separation of government from enterprises, the strengthening of the internal management of enterprises, and the establishment of the social security system.

In the past, all production and management of enterprises was under the strict control of state planning.

Enterprises have been given autonomy since 1978, when China began to reform its enterprises. So far, they have the right to manage the 95 percent of consumption goods and 80 percent of production materials and equipment they produce in line with the market needs.

By separating the functions of the government from those of enterprises, the government is required not to interfere in the specific management of enterprises, but instead undertakes the macro-economic control and helps enterprises to solve their difficulties involving heavy debts, capital shortage and the establishment of supportive institutions.

A sample survey shows that two-thirds of the inefficient enterprises had poor economic operations and management.

Both the central and local governments have selected some 2,000 enterprises to try out a modern enterprise system, while carrying out the reform of social security and boosting service trades.

In addition, the government will make policies in favor of 500 to 1,000 key state enterprises and encourage enterprise cooperation, annexation and bankruptcy.

A government official in charge of the national economic reforms said that after the modern enterprise system is established, the carrier of the national economy will be state property, which will be expanded in the form of state enterprises, corporations with sole state investment, and companies with state shares.

XINHUA 'Roundup' Views Enterprise Reform

OW0705100695 Beijing XINHUA Domestic Service in Chinese 0239 GMT 6 May 95

[Roundup by reporter Chen Yun (7115 5366): "Reform of State-Owned Enterprises: The Light of Breakthrough in 'Particular Points'"]

[FBIS Translated Text] Beijing, 6 May (XINHUA)— On the surface, there seemed to have been few earth-shaking events in the important yet difficult reform of state-owned enterprises. But people will be surprised to find that real breakthroughs have already been made on some key issues, if they care to read reports coming from various localities, particularly from those cities which have been selected to try out the reform of state-owned enterprises. These breakthroughs are no longer limited to some individual state-owned enterprises but are made in an entire area or within a large scope. Thanks to enterprise unions, mergers, bankruptcies, and restructuring, some state-owned enterprises have achieved high efficiency in the areas of capital flow and reorganization.

Following a decade-long period of constant and in-depth enterprise reform, people now know more clearly that it is impossible to achieve one hundred percent success in

enterprise reform, as it is impossible to run well every state-owned enterprise. But this is not to say that efforts to improve the state economy are doomed to fail. Seen from practical experience, the lack of supplementary reform measures has been viewed as one of the important reasons for the difficulties in promoting reform in state-owned enterprises. To solve this problem, it is not enough to rely only on enterprises. On the one hand, the government should lend its efforts in reforming cities' or districts' product mixes in conjunction with enterprise reform; and on the other hand, enterprises should make strategic readjustments in their organizational structures. In our calls for the reform of state-owned enterprises in recent years, we have changed from "enlivening the state-owned enterprises" to "doing a good job on state-owned enterprises." This year we changed it again to "readjust the entire national economy." The changes to our calls are by no means a play on words; rather, it is the result of our deeper recognition of the reform of the state-owned enterprises.

It is now one year since the pilot project of the "capital structure optimization," which was centered mainly on "increasing the amount of capital, restructuring, diversification, and bankruptcy," has been set in motion in 18 cities. Information from the State Economic Restructuring Commission indicates that in one year, 18 pilot cities, proceeding from the entire state-owned economy in their respective regions, and on the basis of clearing up property and checking assets and of getting to the bottom of the entire picture of the state-owned economy, decided on the number of trades and enterprises that would be given support, put in check, or eliminated; embarked on simultaneous reorganization and systematic change and reform efforts; and began to implement in their own areas the structural optimization strategy of "helping large enterprises become even stronger and smaller ones more flexible, institutionalizing good systems, and of helping the regeneration of poorly-run enterprises." Following reorganization, several hundred enterprises are now "rising from the ashes."

The Shanghai Municipality divided state-owned enterprises into four categories in line with the new industrial structure. It also adopted different measures to examine the assets of state-owned enterprises. The first category includes emerging key industries and big enterprises which have large market shares. A number of large enterprise groups are to be organized with the state contributing most of the capital and other capital sources providing a supporting role. The second category covers small state-owned enterprises whose scale, though small, show a distinct direction of development. They will be given full autonomy in operations and are to compete and thrive on the market through methods of sale, of changing over to a shareholding system, and of reducing the number of operation units. There are now 4,000 such shareholding enterprises. The third category refers to well-run and managed enterprises which have been selected to try out a modern enterprise system reform and its related reform in a step-by-step and standardized

manner. The fourth category include enterprises whose efficiency is poor, that are poorly managed, that suffer chronic losses, and that are beyond hope of reversing losses. Through adopting mergers, breaking them up, reducing operation units, land leasing, and bankruptcy measures, it is hoped that they will be given new lease on life. From 1991 to the present, some 50 enterprises in Shanghai have either been merged or asked to produce other lines of products or been shut down; some 250,000 workers and nearly six billion yuan worth of fixed assets from these enterprises have been absorbed into new enterprises.

Changchun city has undertaken various measures for the following six types of enterprises: First, it has restructured 145 enterprises that fulfilled the requirements of state industrial policies and that were relatively resilient, and incorporated them into companies. Second, it has strengthened a number of enterprises that had assets and that produced brand names and quality products, and reorganized them into corporations or conglomerates. In 1994, industrial and communication enterprises under the Changchun City Government have formed 11 conglomerates. Third, at present, 23 enterprises have attracted foreign investment for renovation. Fourth, in 1994, the city has undertaken 12 mergers, whereby inefficient enterprises were taken over by efficient ones. Fifth, 51 enterprises have been closed down, suspended, merged, or switched to other lines of production. Sixth, the city has affirmed that it will initiate preliminary bankruptcy proceedings against five enterprises.

Practice has shown that when we staged reform, reorganization, and renovation in various categories of state enterprises rather than letting individual state enterprises take unilateral actions, we did not move in the dark and were able to resolve problems that had been difficult for enterprises to resolve themselves previously. Moreover, state capital would consequently flow more easily toward efficient industries which would in turn enlarge the size of state assets. Out of the state enterprises in the 18 cities staging reorganization, those industrial enterprises in various cities that were efficient have rapidly expanded. The appearance of a number of new key industries can substantiate the above statement.

The process of reorganizing state enterprises actually involves the survival of the fittest and the rejection of the inefficient. The difficult and crucial parts are on the rejection of the inefficient. As of now, about 150 enterprises in the 18 cities are under the category of bankruptcy. Out of the total number, 51 enterprises have completed bankruptcy proceedings, whereas the rest either are undergoing bankruptcy proceedings or have initiated preliminary bankruptcy proceedings. We have to admit it is a rare breakthrough because out of the 51 bankrupt enterprises, four were large enterprises and 20 were medium-sized enterprises. Moreover, the 18 cities have expeditiously taken various formats to absorb money-losing enterprises, including enterprise mergers, unions, and shareholding methods. They have consequently eliminated quite a large number of money-losing

enterprises. A very crucial factor why the pilot cities have made remarkable progress in resolving problems related to money-losing enterprises is that they have found new solutions to the problem of surplus personnel. For example, Shanghai Municipality separated usable assets from 16 bankrupt enterprises before formally declaring the enterprises' bankruptcies. It established 35 new enterprises, successfully providing 20,000 new jobs for the 26,000 displaced workers who lost their jobs due to the bankruptcy. Therefore, it has relatively successfully resolved the contradictions between bankruptcy and stability by creating new jobs. Let us take another example: Changzhou City proposed a job-creating format to redistribute workers and a feasible way to reorganize workers while restructuring enterprises—by providing them with capital, transferring them to other posts, letting them keep their posts without pay, giving them retraining, dismissing them, and compensating them at dismissal.

Meanwhile, as the pilot cities have gradually understood the respective superiorities of their locations, industries, and products, they have conscientiously and enthusiastically striven to accelerate technological transformation. At present, all the 18 pilot cities have proposed the "programs of urban technological transformation" or the "outline of technological transformation," and have generally implemented the "strategies of promoting sales through brand names." Striving to raise enterprises' funds and vitality, the cities have also implemented various measures, including different rents for various grades of land, rights to transfer ownership of credits, income tax rebates, accelerated depreciation for capital goods, imports of foreign capital, fund-raising through share issuance, collection of idle funds in society, sales of small state enterprises, reinvestment of capital, and enhanced productivity of capital.

At present, state enterprises are still facing many problems in their reform. However, the experiences of the pilot cities and enterprises showed that if we expeditiously and efficiently circulate enterprises' existing capital, and optimally integrate and reorganize assets, we can fulfill in one way the goal of raising enterprise economic efficiency. It seems we can reverse the current situation wherein state enterprises are incurring great losses by paying close attention to large enterprises, granting greater autonomy to small enterprises, and properly allocating expandable resources in accordance with market demands by facilitating unions, mergers, bankruptcies, and the reorganization of enterprises.

Editorial on Importance of Accurate Statistics

HK0805060395 Beijing RENMIN RIBAO in Chinese
22 Apr 95 p 1

[Editorial: "The Soul of Statistics Lies in Accuracy"]

[FBIS Translated Text] Statistical work provides a basis for the party and the government to make policy decisions and administer in a scientific way. The value of statistics lies in accuracy.

In the new historical period, the large numbers of statistical workers have energetically carried forward the reform and modernization of statistical work so that our statistical departments at various levels have served as the principal body providing social and economic information, a national economic accounting center, a powerful institution supervising state statistics, and an important consultation organ, making important contributions to reform, opening up, and socialist modernization. Over the last few years, to meet the needs of building up a socialist market economy, statistical departments have introduced a new system of national economic accounting, a new system of national statistical statements, and a new system of statistical indicators and have carried out a major reform of the statistical data processing paradigm, thus making important strides forward in standardizing statistical work and in making China's statistical work converge with international practice. Our statistical work has been developed and upgraded.

However, over a certain period, the malpractice of making false reports has prevailed in some localities and departments. As a result, the data reflecting the work results of certain localities and departments have been exaggerated to a big extent. In the 1994 nationwide check-up on statistical work and law enforcement, over 20,000 cases of making false reports, which is illegal, were identified. Of all the cases the most spectacular were those of exaggerating the output values of township enterprises and concealing the figures of new births in rural areas.

The reasons for the malpractice were: With the vigorous efforts to boost the state economy and rapid growth in other economic sectors, the subjects of statistics became complicated and changeable and were less and less willing to cooperate with statistical workers; in addition, there was a lack of qualified statisticians at the basic level, thus making statistical work increasingly difficult. More importantly, as a result of readjustment of interests, leaders of some localities, departments, and units took advantage of their positions to juggle the figures in the interests of individuals or small groups. In particular, the fact that those who practiced fraud often gained both fame and wealth, while those who reflected things as they really were were left out in the cold and even punished, further encouraged the evil trend.

Juggling statistics represents a form of corruption, going against the party's ideological line of seeking truth from facts, trampling underfoot the party's fine tradition and work style, and throwing mud at the image of the party and the government. The people cherish an undying hatred for such malpractices and the party and the government are strongly against it. If we formulated macroeconomic policies according to false statistical data, that would lead to mistakes and cause irreparable damage to the national economy and society. Comrade Jiang Zemin pointed out sharply: Such unhealthy practices as making false reports and practicing fraud do

harm to the country, the people, and the party's cause. "The leadership must pay great attention to the localities and departments where such phenomena make their appearance. If it is due to impractical requirements set by the leadership or to incorrect guidance, the leadership must take the initiative in correcting the mistakes. If it is a problem with the lower levels, the leadership must have a clear-cut stand and take effective measures to solve the problem. Serious offenders must be prosecuted." At the National People's Congress and Chinese People's Political Consultative Conference National Committee sessions held not long ago, many deputies and committee members loudly appealed for efforts to resolutely check the unhealthy tendency, because it would bring calamity to the country and the people.

The key to upholding the principle of seeking truth from facts and opposing the malpractice of playing tricks lies in the leadership. The party committees and governments at all levels must set an example of seeking truth from facts, do a good job in ensuring the accuracy of statistical data, and regard the work as an important aspect of the campaign to straighten out the party's work style and to build clean government. In formulating economic policies or in carrying them out, we must abide by the principles of proceeding in all cases from actual conditions and from the fundamental interests of the party and the people and of integrating great enthusiasm and good intentions with the scientific attitude of seeking truth from facts. In instituting the system under which cadres at all levels are responsible for attaining given objectives, we must have scientific and rigorous criteria for appraising work results. In setting the objectives, we must properly balance things which can be accomplished by exerting ourselves to the utmost against those which should be done within our means, setting strict demands while leaving some leeway, thus putting our plans on a prudent and reliable basis. In assigning institutions at lower levels to attain certain objectives, no extra objectives shall be imposed at every level. We must see to it that no leadership at lower levels is forced or encouraged to make false reports due to impracticable plans or objectives.

It is necessary to really improve and perfect the systems of appraising and appointing cadres and to formulate without delay a scientific and effective check-up method in accordance with the guidelines laid down by the Fourth Plenary Session of the 14th CPC Central Committee so that the work results of cadres will be accurately appraised. Leading cadres at all levels should win the trust of the masses and the higher authorities by making earnest efforts. Those who gain honor and higher positions by intentionally exaggerating statistics must be prosecuted strictly according to party discipline and state law instead of being put in important positions.

All levels of statistical departments, as functional departments providing information to the government, must as always fulfill their duties as required. They must make it their central task to ensure the accuracy of statistics and

make unremitting efforts to achieve this. They must try to institute a new statistical system adapted to the socialist market economy by relying upon "science and technology and upon the legal system." They must serve reform, opening up, and socialist modernization better by improving the quality of their statistical data, making them conform more to the facts and more accurate.

Finance & Banking

Wu Bangguo Discusses State Development Corporation

OW0505172795 Beijing XINHUA in English 1702 GMT 5 May 95

[FBIS Transcribed Text] Beijing, May 5 (XINHUA)—Vice-Premier Wu Bangguo said today that the newly-established State Development and Investment Corporation should invest in policy-oriented projects.

At a ceremony to mark the opening of the corporation, Wu said it should invest in major projects in basic industries, infrastructure and pillar industries, as well as projects to promote economic growth in underdeveloped areas.

As a policy-oriented organization, the corporation must ensure the undertaking of priority projects and use central government investment to guide the investment direction, he noted.

Attached to the State Council, the corporation is a wholly state-owned agency with registered capital of 5.8 billion yuan. It will invest mainly in policy-oriented projects in such industries as energy, transportation, raw materials, machine-building and textiles, as well as in the farming and forestry sectors.

In his speech, Wu Bangguo also stressed the need to step up the reform of China's investment system.

"The State Development and Investment Corporation is responsible for preserving and increasing the value of state-owned assets," he said.

Investment to be made by the corporation must meet the needs of China's economic construction, he said, adding that the corporation must also pay close attention to returns on its investment.

In addition, the vice-premier urged the corporation to contribute to the deepening of enterprise restructuring in accordance with the requirements of a modern enterprise system.

Bank Issues More Loans for Chain Stores

OW0805085895 Beijing XINHUA in English 0836 GMT 8 May 95

[FBIS Transcribed Text] Beijing, May 8 (XINHUA)—China's Industrial and Commercial Bank has issued more than 1.5 billion yuan in loans to develop chain

stores, especially in Shanghai, Beijing, Tianjin, Guangzhou, Wuhan, and Xiamen cities, in the past two years, according to official sources.

With loans of 600 million yuan, the bank's branch in Shanghai transformed some 780 groceries, grain shops, department stores, and vegetable stores into chain stores, improving their sales and their employees' incomes both by 40 percent.

In cooperation with the bank, the Quanjude Roast Duck Restaurant, one of most famous restaurants in this capital city, opened 56 stores at home and abroad, and created a trade volume of 166 million yuan in 1994.

The bank got involved in the chain stores' growth because they have spread the use of credit cards, increased their bank savings and attracted more business for the bank. Also, they carry few risks as most of them are built on existing shops or warehouses and their loans are short-term.

The past two years have seen the bank distribute more than 90 percent of its loans to large and medium-sized cities and coastal regions to modernize shops selling the items with a close connection with daily life, such as grains and edible oils, foodstuffs, vegetables.

Meanwhile, the bank has funded the updating of the shops' business facilities to meet consumer demands, helped state-owned wholesale firms set up distribution centers, and provided capital for chain stores' operations after their inauguration.

Pudong Develops Financial Sector

OW0805110195 Beijing XINHUA in English 0932
GMT 8 May 95

[FBIS Transcribed Text] Shanghai, May 8 (XINHUA)—The Pudong New Area in Shanghai, the leading metropolis in China, has made encouraging progress in the development of finance industry.

Twenty-eight foreign-funded banks had been set up in the area by the end of 1994, according to official sources.

The loans they have issued and the savings they have received have totaled 3.92 billion U.S. dollars, according to the sources.

In the meantime, three financial companies and two insurance companies, all from abroad, have begun operations in Pudong, which now houses 87 representative offices of overseas financial institutions.

Experts here noted that these institutions have funded local economic development and are bringing Shanghai's financial sector into line with international practice.

The year 1994 saw 363 financial businesses in operation in Pudong, up 80 percent from the figure in 1990, and their assets hit 100 billion yuan-worth, according to official sources.

Statistics made available in March showed that the financial and insurance sectors in Pudong contributed 25.8 percent of the service industry output.

The Pudong Development Bank has put more than six billion yuan into the development of the new area, the Agricultural Bank of China has raised some one fourth of the capital for the major projects in Pudong, and the Industrial and Commercial Bank of China, Construction Bank of China, and Bank of Communications have also provided funds for major projects and infrastructure in Pudong.

By the end of 1994 the savings and loans in Pudong topped 80 billion yuan, equal to 30 percent of the total in Shanghai. In addition, the trade volume of four insurance firms in Pudong hit 700 million yuan, or more than 20 percent of the city's total.

And the 29 securities businesses in Pudong enjoyed a trade volume of 252.2 billion yuan, accounting for 10 percent of the total in Shanghai and up 54 percent from 1993.

However, experts still urged Pudong to open more financial businesses and host more foreign financial institutions to help the city regain the status of the largest financial hub in the Far East.

New Bill To Protect Interests of Banks, Depositors

HK0705065195 Beijing CHINA DAILY in English 6
May 95 p 1

[By Ma Chenguang: "New Bill To Safeguard Banks and Depositors"]

[FBIS Transcribed Text] Commercial banks in China will not be allowed to invest in non-bank financial institutions and enterprises, nor can they engage in trust investment or stock businesses, a draft banking bill has stipulated.

This will help safeguard depositors' interests and control the scale of infrastructure construction, according to the draft Law on Commercial Banks, which was submitted to the top legislature for re-consideration yesterday.

Meanwhile, to protect the interests of the commercial banks by curbing unfair competition among them, the draft bill also mandated that they are not allowed to raise or lower interest rates at will. The rates can only be decided by China's central bank.

The draft bill, together with four others submitted to the Standing Committee of the National People's Congress (NPC) yesterday, will cover the 18 domestic commercial banks and the 98 banking offices of overseas banks.

It will join the Law on the People's Bank of China adopted two months ago to forge a basic legal framework to govern China's banking industry.

"The bill is helpful to safeguard financial order, protect the rights of the banks as well as depositors and safeguard the banks' smooth running," said NPC Law Committee Chairman Li Yining while reporting the draft to the 13th session of the NPC Standing Committee that began yesterday in Beijing.

Li said the banks can refuse any agency or individual's requirement to check, freeze or detain others' deposits. Exceptions will be authorized by other laws or regulations.

Yesterday, the 153-member NPC Standing Committee also heard explanation of four other bills on officers of the reserve force, negotiable instruments, energy conservancy and punishment on financial swindlers.

38 Million Shareholders Now in China

HK0505124095 Beijing ZHONGGUO XINWEN SHE
in English 0827 GMT 5 May 95

[FBIS Transcribed Text] Beijing, May 5 (CNS)—The shareholding system has become an important component of China's economy after ten years' development.

By the end of 1994, China accumulatively had 25,800 shareholding firms, 567 securities institutions with more than 5,200 securities outlets spreading all over the country which employed more than 67,000 people.

The whole country had over 38 million shareholders.

Meanwhile, China had 290 listed companies with a total share capital reaching 54.55 billion yuan. A total of 345 [as received] shares were traded on the stock exchanges. The "A Share" market had a gross value of 192,000 billion yuan with a transaction volume accumulating to over 810 billion yuan.

Economist Attacks Sluggish Pace of Banking Reform

HK0605064995 Hong Kong HONGKONG STANDARD
in English 6 May 95 p 8

[Report on interview with Wu Jinglian, economist with the PRC State Council's Research Center for Economic, Technological, and Social Development and professor at the Chinese Academy of Social Sciences, by Pamela Pun; date, place not given]

[FBIS Transcribed Text] A leading Chinese economist has attacked the sluggish pace of reforming the last stronghold of China's Stalinist economy—its banking system. Wu Jinglian said more daring restructuring of the country's top state-owned enterprise, its banking sector, was desperately needed if the government wanted to rescue chronically ailing state firms from bankruptcy. "The longer the government waits to act, the more pain the economy will suffer," said Mr Wu, a top economist with the Research Centre for Economic, Technological and Social Development under the State Council.

In apparent attempt to refute view that society could not stand the pain of radical action, he asked: "And what if the reform takes longer?" He said heavy debt burdens and redundancy are the two main obstacles to solving the stumbling state sector's problems. And they will remain obstacles until the authorities let market forces, not government directives, regulate the banking system, he said in an interview with The Hongkong Standard.

Mr Wu, a liberal economist nicknamed "Market Wu" for his persistent advocacy of market economics, has recently split with his mentor, Chinese economic czar Zhu Rongji. Vice-Premier Zhu has openly attacked Mr Wu's arguments as misleading.

Mr Wu, who is also a professor at the Chinese Academy of Social Sciences, suggests that before China fully embraced a market-oriented financial and banking system, it should set up a mock-market banking system to help state firms adapt to the coming changes. The role of the mock system would mainly be to regulate interest rates between the central bank and commercial banks. The central bank would decide the state's basic interest rate, with an eye to the demand and supply in the market, while commercial banks would compete with each other within the range of interest rates set by central bank, he explained. Next, a fully market-regulated financial and banking system would be built up, in which the central bank would have to consider raising interest rates gradually to keep pace with inflation. He said the current bank loan interest rate of 8 to 9 per cent was artificially lower than the inflation rate, which is hovering around 20 per cent.

Economists have urged the government to change the state sector's creditors to shareholders as a way of improving management and increasing productivity, so as to prevent further depletion of state coffers. The state's largest creditors were government-run banks, who would become shareholders, Mr Wu said, if his suggestions were adopted. But the banking system cannot effectively supervise the debtors before it gains financial independence, Mr Wu said.

Foreign Trade & Investment

Spokesman Opposes U.S. Cut of Textile Export Quota

OW0505143595 Beijing XINHUA in English 1424
GMT 5 May 95

[FBIS Transcribed Text] Beijing, May 5 (XINHUA)—A spokesman for the Ministry of Foreign Trade and Economic Cooperation said here today that China resolutely opposes the U.S. recent decision to cut its textile import quota from China by 1.83 million dozen.

The spokesman said that the cut is a violation of the textile agreement reached between China and the United States, for it is a unilateral action taken by the U.S. Government without presenting ample evidence or full consultation.

The U.S. Committee on the Implementation of Textile Agreements recently announced that it would cut its textile import quota by 1.83 million dozen starting May 4, due to the alleged transshipment of Chinese textile products.

China hopes that [Beijing XINHUA Domestic Service in Chinese at 1318 GMT on 5 May carries a variant version that reads: ...to the alleged illegal transshipment of Chinese textile products to the United States.

China hopes that] the U.S. side will take into account the overall situation of the bilateral textile trade and correct its decision, the spokesman said.

China and the United States has held talks twice on the textile transshipment—last December and March of this year, respectively.

During the talks, the spokesman said, the Chinese side, time and again solemnly pointed out that the importers' testimony and the customs minutes presented by the U.S. side were not sufficient to prove that all the 1.83 million dozen of transhipped textiles were from China, and the testimony and minutes failed to constitute such evidence as spelled out in the bilateral agreement.

The investigation conducted by the Chinese side showed that the amount of the textiles that could be confirmed to be from China was far smaller than what was charged. Therefore, the U.S. charge was by no means acceptable to China.

According to the spokesman, the Chinese side insisted that the U.S. present all its evidence so that talks [Variant version reads: ...During the talks, the Chinese side insisted that the U.S. side present all its evidence as required by the agreement so that talks] could be resumed after further investigation. It also required the U.S. side not to make any unilateral deduction before the talks were resumed.

There was no objection from the U.S. side to these demands.

"It is really regretful [Variant version reads: ...to these demands.

"It is regretful...] that the U.S. side has made such a decision in flagrant defiance of the reasonable demands of the Chinese side", the spokesman said. [Variant version reads: ...The Chinese Government firmly opposes this action.]

Since last July the U.S. government has twice cut its textile import quota from China, totalling 2.52 million dozen.

Such actions, both of which were made without presenting ample evidence or full consultations, have seriously infringed upon China's interests and held up the normal growth of the textile trade between the two countries, the spokesman said. He added that they are

also harmful to maintaining and developing the sound momentum of bilateral trade ties and economic cooperation.

If the U.S. side is really sincere about addressing the issue of transshipment, the Chinese side [Variant version reads: ...the issue of illegal transshipment, the Chinese...] is willing to conduct joint investigations and have further consultations so as to produce a mutually acceptable result.

Otherwise, he said, China will have to make further responses, and the U.S. side will have to be responsible for any negative impact that might be brought about on bilateral trade.

Warns of 'Further Reaction'

OW0505144095 Beijing Central Television Program
One Network in Mandarin 1100 GMT 5 May 95

[Announcer-read report; from the "National News Hookup" program]

[FBIS Translated Text] A spokesman of the Ministry of Foreign Trade and Economic Cooperation today issued a statement on a U.S. unilateral decision to reduce China's textile quota.

The spokesman said: The U.S. Committee for Implementation of the Textile Agreement recently announced its unilateral decision to reduce China's textile quota by 1.83 million dozens beginning on 4 May, on the grounds of so-called illegal transshipments of textile goods to the United States through Hong Kong by Chinese enterprises. The U.S. Government's reduction of China's textile quota without showing full evidence and without holding full consultations violates the Sino-U.S. textile agreement.

The spokesman said: The Chinese Government hopes that the U.S. authorities concerned will consider the overall interest of developing bilateral textile trade and change their decision on the reduction. Otherwise, the Chinese side will have no choice but to make further reaction [zhong fang jiang bu de bu zuo chu jin yi bu fan ying], and the U.S. side should bear the responsibility for any impact this will have on Sino-U.S. bilateral trade.

U.S. Urged Not To Reduce Quota

HK0705073195 Beijing CHINA DAILY in English 6
May 95 p 1

[By Wang Yong: "China Slams Textile Quota"]

[FBIS Transcribed Text] China yesterday urged the United States to withdraw its decision to reduce the quota for Chinese textile exports.

The United States on Thursday decided to reduce the quota by 1.83 million dozen garments from China.

"It goes against the Sino-U.S. textile agreement for the U.S. Government to reduce quotas for China without

sufficient proof or consultation with China," a spokesman for the Ministry of Foreign Trade and Economic Co-operation (Moftec) said yesterday.

The U.S. Committee on the Implementation of Textile Agreements recently announced that it would cut its textile import quota by 1.83 million dozen starting May 4, due to the alleged transshipment of Chinese textile products.

The Moftec spokesman said that if the U.S. is sincere in resolving the issue of illegal textile shipments, China is willing to conduct joint inspections and to consult with the U.S. in order to achieve a result which both sides can accept.

"Otherwise, China will have to make further responses," he said, but did not elaborate.

Prior to the U.S. decision, the two countries discussed textiles last December and in March this year.

Chinese officials had reiterated that the importers' testimony and the customs minutes presented by the U.S. side were not sufficient to prove that all the 1.83 million dozen textiles were from China.

China had insisted that the U.S. should not take any unilateral action to reduce China's textile quota before further consultations and the U.S. had agreed.

"It's regretful that the U.S. has taken the unilateral action against China's reasonable demand. The Chinese Government is firmly opposed to the move," he said.

'All-Around, Stable, Rapid' Growth in ROK Trade

OW0805111595 Beijing XINHUA Domestic Service in Chinese 0616 GMT 8 May 95

[By reporter Luo Hui (5012 6540)]

[FBIS Translated Text] Beijing, 8 May (XINHUA)—In a recent interview with reporters, a senior official of the Chinese Ministry of Foreign Trade and Economic Cooperation [MOFTEC] pointed out: Economic and trade ties between China and the ROK have gradually developed on a regular basis and entered a new stage of "all-around, stable, rapid" growth along with the increasing exchanges and the signing of a series of bilateral cooperation agreements since the establishment of diplomatic relations between the two countries in 1992.

At the invitation of Premier Li Peng, ROK Premier Yi Hong-ku will begin an official visit to China on 9 May, during which he will also attend the sixth "annual meeting of the American-Asian Association" in Beijing. Together with leaders from Australia, New Zealand, Japan, and other Asia-Pacific countries, he will deliver a speech and discuss global economic development trends, Asia-Pacific regional economic cooperation, and Chinese economic development conditions. The MOFTEC official expressed the belief that Yi Hong-ku's visit will

surely give strong impetus to promoting Sino-Korean economic and trade relations to a new height.

According to Chinese statistics, the Chinese-Korean trade volume was \$11.72 billion last year, which represented a 42.5 percent increase over 1993 and \$2.92 billion deficit of the Chinese side; two-way trade reached \$3.075 billion in the first quarter of this year, up 59.5 percent over the same period last year. The bilateral trade volume has increased by more than 40 percent per annum for four consecutive years. The ROK has become China's sixth largest trading partner; while China is the ROK's third largest trading partner, only next to the United States and Japan. Two-way trade is expected to reach \$15 billion this year.

Meanwhile, the two countries have seen rapid and smooth development in their economic cooperation, especially in the rapid increase of projects funded by Korean enterprises in China. Prior to the establishment of diplomatic ties, Korean investments were concentrated mainly on the Shandong and Liaodong peninsulas; and were limited to solely Korean-funded small and medium processing enterprises with low technology levels. Since the establishment of diplomatic ties and along with the improvement of China's investment environment, Korean investments have been gradually expanded to the southeast coastal and other hinterland regions and been shifted to technology and capital intensive projects, while the number of large projects has increased conspicuously. As of the end of 1994, China had approved a total of 4,540 ROK-funded projects, with \$3.988 billion of Korean capital negotiated and \$1.276 billion actually utilized. According to Korean statistics, China has become the biggest hub for Korean investments. The MOFTEC official expressed the hope that Korean entrepreneurs will direct more of their investments toward China's communications, energy, and other infrastructure projects.

Since the ROK partially opened up its labor service market last year, new headway has been made in labor service contracts between the two countries. So far, 17,000 Chinese laborers are working in the ROK. A breakthrough was also made in Chinese utilization of ROK loans last year when the ROK provided loans equivalent to \$43 million to China which were used for four infrastructure projects. In addition, industrial cooperation between the two countries has begun, thus reflecting the deepening of the development of bilateral economic and technical cooperation.

The official pointed out: While bilateral economic and trade relations are developing smoothly, there also exist some unfavorable factors. For example, since 1992, the ROK has readjusted on five occasions its tariff on some 60 kinds of imported farm products, of which 46 involve Chinese commodities. This has affected, to a certain extent, China's foreign trade, in which farm products account for a large chunk of its exports. Additionally, the ROK's nontariff measures and antidumping investigations of imported products have also hampered further

China's exports to the ROK. All of these are unfavorable for the further development of bilateral economic and trade relations. She emphasized: Along with the expansion and deepening of bilateral economic and trade cooperation, the emergence of some problems are unavoidable. What is important is the way of solving the existing problems. Currently the two governments are consulting with each other on solutions to the aforesaid problems.

The official said: China and the ROK are close neighbors whose economies are highly complementary; the potential for bilateral economic and trade cooperation is great.

Trade Relations With ROK Enter New Stage

OW0805092595 Beijing XINHUA in English 0751
GMT 8 May 95

[FBIS Transcribed Text] Beijing, May 8 (XINHUA)—Economic and trade relations between China and the Republic of Korea (ROK) have reached a new stage of "overall, steady and rapid" development with increasing bilateral exchanges and the signing of a series of agreements on bilateral economic and trade cooperation since the two countries established diplomatic relations in 1992.

An official with China's Ministry of Foreign Trade and Economic Cooperation (MOFTEC) made this statement in an interview with XINHUA, estimating that bilateral trade is to hit a record of 15 billion U.S. dollars this year.

She said that ROK Prime Minister Yi Hong-Ku's visit to China scheduled to start tomorrow, at the invitation of Chinese Premier Li Peng, will further bilateral economic and trade relations.

Yi is also scheduled to deliver a speech at the sixth annual meeting of the Asia Society of the United States during his visit here, along with government officials from Australia, New Zealand, Japan, and other Asia-Pacific countries.

They will talk about global economic development trends, Asia-Pacific economic cooperation and China's economic development.

The Sino-ROK trade volume last year witnessed a 42.5 percent increase over the year before, standing at 11.72 billion U.S. dollars-worth, and China's trade deficit was 2.92 billion U.S. dollars.

During the first quarter of this year, the bilateral trade volume hit 3.075 billion U.S. dollars-worth, a rise of 59.5 percent over the previous year.

She noted that the bilateral trade volume has been increasing by an annual average of 40 percent in the past four years, and now, the ROK is China's sixth-largest trade partner in the world and China is the ROK's third-largest, next to the U.S. and Japan.

Meanwhile, she said, ROK investment in China has also been increasing rapidly.

Before the establishment of bilateral diplomatic relations, ROK investment was mainly limited to certain areas such as China's Shandong and Liaodong peninsulas, and ROK-solely-invested projects were mainly small- and medium-sized ones without much high-tech.

After bilateral diplomatic relations were set up in 1992, ROK investment in China started to enter China's other coastal areas and hinterland, and there have been many technology- and capital-intensive joint projects.

By the end of last year China had approved a total of 4,540 ROK-invested projects, and the contracted ROK investment has amounted to 3.988 billion U.S. dollars and the realized figure was 1.276 billion U.S. dollars.

ROK statistics show that China enjoys the largest amount of ROK investment abroad, said the official, voicing the hope that such investment can be channelled further into China's infrastructure, such as communications and energy.

In addition, she said, there are about 17,000 Chinese workers in the ROK, and China started to use ROK loans last year, when the ROK provided loans valued at 43 million U.S. dollars for four infrastructure projects in China.

At the same time, the two countries have initiated their cooperation between different industries, which in her opinion, marks the furthering of bilateral economic and technological cooperation.

She pointed out that the smooth development of bilateral economic and trade cooperation also has some unfavorable factors; for instance, the ROK has levied adjustment taxes on 60 categories of imported agricultural products, including 46 categories from China, which has brought about a negative impact on China's foreign trade, as a large portion of China's export is agricultural products.

Meanwhile, some of the ROK's non-tariff measures and its anti-dumping investigations have restricted China's export there, she continued.

With further development of bilateral economic and trade co-operation, she emphasized, there might be problems, and the most important thing is finding out how to solve these problems.

She noted that the two governments are conducting consultations to this end.

The official held that China and ROK are two neighbors with high economic complementarity, and bilateral economic and trade cooperation has great potentials.

NPC Vice Chairman Li Peiyao Meets British Visitors

OW0505112195 Beijing XINHUA in English 1108
GMT 5 May 95

[FBIS Transcribed Text] Beijing, May 5 (XINHUA)—Li Peiyao, vice-chairman of the Standing Committee of the

Chinese National People's Congress (NPC), met with A.S. Bell, group managing director of the Standard Life of Britain, and his party here today.

The British visitors are here as guests of the Chinese People's Association for Friendship With Foreign Countries.

Established in 1825, the Standard Life is one of the world's largest mutual insurance companies.

It is learned that Bell and his party have come to acquaint themselves with China's banking policies, and situation in the country's insurance and investment market, and to explore ways of cooperation in life insurance and other fields.

AT&T To Expand Investment in China

OW0505135595 Beijing XINHUA in English 1245 GMT 5 May 95

[FBIS Transcribed Text] Beijing, May 5 (XINHUA)—The global telecommunications leader AT&T of the U.S. will invest at least 150 million more U.S. dollars in China, as well as further expand its business, in the next two to three years.

A senior representative of AT&T here today said that the U.S. company is fully confident of the market potential in China, where the rapid economic growth keeps giving rise to increasing demands for advanced telecommunications networks.

"This has laid a solid base for AT&T's long-term development in the country," he said.

The company's investment program will include an electronics joint venture specializing in large-scale integrated circuit manufacturing, and a branch of the AT&T's Bell Laboratory, a technical base for a great number of state-of-the-art inventions in the telecommunications field.

Furthermore, AT&T will increase its purchasing volume on the Chinese mainland, Jim Bercaw, vice-president of the AT&T (China) Company Ltd, told a domestic suppliers conference which closed today in Shanghai.

The company's purchasing volume this year is expected to reach 60 million U.S. dollars-worth, and will hit 250 million U.S. dollars-worth by the year 2000, he disclosed.

So far, AT&T has set up eight joint ventures in China to manufacture optical cables, digital transmitters, copper cable and exchange systems; and opened representative offices in Beijing, Shanghai, Guangzhou, Chengdu, Wuhan and Shenyang.

Import-Export Commodities Inspection List Revised

OW0805104895 Beijing XINHUA Domestic Service in Chinese 0735 GMT 8 May 95

[By reporter Jiang Jun (1203 6511)]

[FBIS Translated Text] Beijing, 8 May (XINHUA)—Beginning 1 July, China's commodity inspection agencies will inspect import and export commodities according to a newly revised list of commodity categories.

According to the relevant provisions of the "PRC Law for the Inspection of Import and Export Commodities" and the "Rules for Implementing the PRC Law for the Inspection of Import and Export Commodities," import and export commodities on the "List of Categories of Important and Export Commodities Subject to Inspection by Commodities Inspection Agencies" must be inspected by commodities inspection agencies, the State Administration for the Inspection of Import and Export Commodities, and inspection organizations designated by commodities inspection agencies. No import commodities are allowed to sell or use without inspection, and no export commodities are allowed to export without going through the inspection.

The newly revised list emphasizes inspection of food, animal products, and electric-machinery products for export. For import, it emphasizes medical equipment, engineering machinery, theft-prevention and security alarm equipment, and other commodities related to security and environmental protection. Compared with the existing list, the new list substantially cuts down the number of import commodities subject to inspection and reduces the number of export commodities subject to inspection to some extent as well.

According to personnel from the State Administration for the Inspection of Import and Export Commodities, the adjustment of the "List of Commodity Categories" is aimed at gradually bringing China's import and export commodities inspection system in line with the international standards and at further strengthening the inspection of commodities related to security and public health. It is also designed to strengthen the inspection of export commodities in line with China's strategy for developing its foreign economic relations and trade: "winning through superior qualities."

Rolled Steel Production, Imports Down in 1st Quarter

HK0605080995 Beijing CHINA DAILY in English 5 May 95 p 5

[By Xiao Pei: "Rolled Steel Output, Imports Decline"]

[FBIS Transcribed Text] China's production and importation of rolled steel dropped markedly during the first quarter, while exports surged.

Total production of steel reached 22.59 million tons during the first three months, down 1.59 per cent from the same period last year.

Rolled steel production decreased by 6.96 per cent, or 18.88 million tons, according to statistics from the Ministry of the Metallurgical Industry.

Rolled steel imports plunged by 28.2 per cent to 3.03 million tons during the first quarter. Last year imports totalled 22.83 million tons.

Experts warned imports should not exceed 10 million tons this year since domestic demand remains sluggish.

Meanwhile, exports of rolled steel during the first quarter soared 180 per cent reaching 831,000 tons, according to statistics of the General Administration of Customs.

Shanghai-based Baoshan Iron and Steel Complex, for example, exported 500,000 tons of rolled steel worth \$120 million during the first quarter of this year.

An official of Baoshan, the most advanced steel producer in China, attributed rising exports which accounted for half of last year's turnover, to better and earlier arrangements for steel products' exports.

The Maanshan Iron and Steel Corporation, another big steel mill in China, earned more than \$30 million from exports between January and March this year, surpassing total export volume last year.

China's steel making industry's long-term strategy is to expand exports. The ministry plans to boost this year's exports to 5 million tons.

The main reason for the drop in steel production is that domestic steelmakers now arrange their production by orders to try and reduce their huge stockpiles.

Total rolled steel stockpiles in the country amounted to a record high of more than 30 million tons at the beginning of the year, caused by over-importing during the past two years.

Money shortages also affected steel plants' normal production, according to ministry officials.

Anshan Iron and Steel Corp in Liaoning Province, which was China's largest steel producer for decades until 1993, had to shut down two blast furnaces last December because it had no cash to pay for coal.

Officials said steel stockpiles are now decreasing as a result of falling production and imports.

If the trend continues, domestic demand and supply are expected to balance during the second quarter of the year. Production will pick up in the second half of the year, officials predict.

Steel prices on the domestic market, which hit rock bottom at the end of last year, already have begun to rebound since February.

The average price for rod steel in March increased by 0.07 per cent compared with January. The price for seamless pipe grew by 4.5 per cent.

Mainland, Hong Kong To Cooperate on Futures Markets

OW0505133595 Beijing XINHUA in English 1257
GMT 5 May 95

[FBIS Transcribed Text] Hong Kong, May 5 (XINHUA)—Chinese mainland and Hong Kong have agreed to strengthen their cooperation to facilitate the development of futures markets in both sides.

In a letter of intent signed here today, the two sides called for stepping up technical assistance, training and exchange of personnel in relation to futures markets.

The letter of intent was signed between the Futures Department of the China Securities Regulatory Commission (CSRC), and the Supervision of Markets Division of the Securities and Futures Commission (SFC) of Hong Kong and the Hong Kong Futures Exchange Ltd. (HKFE).

Under the agreement, the SFC and the HKFE will fund and organize a training program for the staff of the Futures Department of the CSRC.

The main areas to be covered in the program include futures trading, clearing and settlement mechanism; systems and regulatory mechanisms relating to accounting, risk management, market transparency and disclosure standards; and systems necessary for effective market surveillance.

The signing of the agreement indicates further cooperation between the futures markets in China's mainland and Hong Kong, said Li Jiange, Vice Chairman of CSRC.

The cooperation, he said, is essential to the promotion of the quality of the futures regulators on the mainland and the proper development of the futures markets in both places.

K.C. Leong, Chairman of HKFE, welcomed the signing and said that the letter of intent recognizes the increasing relationship between the futures markets in China's mainland and Hong Kong.

Anthony Neoh, Chairman of the SFC, noted that the signing of the letter of intent is a first step towards enhancing regulatory cooperation between the Hong Kong and Chinese mainland regulatory bodies governing the futures markets.

According to Neoh, the SFC and the CSRC are holding discussions with a view to further strengthening mutual cooperation to facilitate the healthy development of the futures markets in China's mainland and Hong Kong.

Swiss Company Sets Up Joint Venture in Tianjin

OW0605142995 Beijing XINHUA in English 1418
GMT 6 May 95

[FBIS Transcribed Text] Tianjin, May 6 (XINHUA)—A joint venture between the Sandoz Industrial Chemicals

Company of Switzerland and the Tianjin No.5 Dyestuffs Company here has gone into operation.

The venture was built at a total cost of 151 million yuan. The two partners have decided to build another joint venture to manufacture dyestuffs.

The Sandoz Company is a subsidiary of the Sandoz Group of Switzerland.

An executive of the group said that the group's board of directors has decided to build the Tianjin-based joint venture into a dyestuffs production center in the Far East.

An official of the Tianjin Municipal Bureau of the Chemical Industry said that major chemical companies from all over the world have chosen Tianjin for investment.

The bureau signed co-operation agreements worth 80 million US dollars with foreign companies in 1994, matching the total for the previous ten years, the official said.

The Kan Sai Paint Company of Japan and the Akzo Nobel Company of the Netherlands each have spent at least 10 million US dollars building joint ventures in Tianjin.

When completed, a joint organic peroxide venture involving four million US dollars in investment from the Dutch company will be the largest peroxide manufacturer in China.

A joint venture between a local company and the Kan Sai Company of Japan is set to start operation in August 1995. It will turn out paint to substitute for imports.

The chemical industry, a pillar industry in Tianjin, turned out ten billion yuan worth of goods last year. Tianjin currently has 200 chemical companies.

Pudong Becomes 'Mecca' For International Blue Chips

*OW0605044695 Beijing XINHUA in English 0244
GMT 6 May 95*

[FBIS Transcribed Text] Shanghai, May 6 (XINHUA)—Pudong, a flourishing zone open to foreign investment in Shanghai, China's largest industrial city, has become a mecca for multinational blue chips as the area offers an ideal investment environment.

Transnational companies like Ford, IBM, Du Pont and Johnson and Johnson of the United States, Siemens and BASF of Germany, and Hitachi, National and Sharp of Japan, as well as companies from Britain, France, Belgium, the Republic of Korea, Taiwan and Hong Kong have established joint ventures or solely owned companies in the area.

According to a local official, since China announced its decision to open Pudong, east of downtown Shanghai

and across the Huangpu River, for foreign investment, 44 of the world's 500-largest transnationals have invested a total of two billion US dollars in the area.

Most of the investment projects, the official said, involve advanced technology and are related to industrial production such as motor vehicles, telecommunications, machinery and electronics, computers, fine chemicals, biotechnology and pharmaceuticals. Other investment projects are related to finance, trade, information services and real estate.

These industries are backbone industries encouraged by Shanghai municipality and the administration of Pudong, and a new framework for modern industries has taken shape in the Pudong New Area, said Zhao Qizheng, deputy mayor of Shanghai and director of the Pudong New Area Administration Commission.

Pudong is attractive to transnational companies owing to China's consistent open policy and better investment environment, together with the area's excellent geographical location, personnel structure and advanced infrastructures.

According to the official, Pudong has spent about 25 billion yuan over the past five years on communications, energy and telecommunications. The investment has been used in the construction of more than 200 km of high-speed trunk highways, four 10,000-dwt [deadweight ton] berths and a number of other key infrastructure items.

According to a Pudong official, the area had only 37 foreign-funded projects in early 1990. However, the number has soared to 2,836, with the total investment coming to 10.88 billion US dollars, 57.7 percent of which came from foreign investors.

The official said 74.6 percent of the 2,746 foreign-funded enterprises established in 1993 are profitable, and some of them are internationally-acclaimed blue chips.

BASF was one of the first multinationals to land in Pudong. The company recouped its investment within the first year of its operations, as its products sold well in both domestic and overseas markets. Before long, the Sino-German joint venture expanded its annual production scale from 6,000 tons to the current 26,000 tons, and its investment volume has increased from the original five million yuan to 1.4 billion yuan.

Japanese Investment in Shanghai Reaches New High

*OW0605141195 Beijing XINHUA in English 1353
GMT 6 May 95*

[FBIS Transcribed Text] Shanghai, May 6 (XINHUA)—Japanese investors poured a record nearly 300 million US dollars last month into this city, China's largest economic center.

According to the Municipal Foreign Trade and Economic Commission, Japan's contractual investment projects in Shanghai in April number 60, which are valued at 298 million US dollars, making up 20 and 31 percent, respectively, of the overseas totals.

The accumulated Japanese investment in the city now comes to nearly 2.5 billion US dollars.

So far, 65 countries and regions have invested in Shanghai. More than half of the 190 leading overseas consortia represented in Shanghai are from Japan. In addition, nine out of the 33 overseas-funded banks and insurance companies are Japanese.

However, Japan's direct investment in Shanghai totalled only 530 million US dollars by the end of 1991. The figure rose to 1.2 billion US dollars by the end of 1993, and 1.92 billion US dollars by the end of last year.

Statistics show that Japan invested in 197 projects to the tune of 560 million US dollars in this metropolis during the first four months of this year, surpassing the total for more than ten years before 1991.

April saw the approval of 293 contractual investment projects by the municipal government, bringing a pledged investment totalling 950 million US dollars from foreign businessmen.

By the end of last month the total number of overseas-funded projects had increased to 11,798 in Shanghai, involving a total investment of 26.52 billion US dollars.

The three largest investors in Shanghai are Hong Kong, Japan and the United States. Hong Kong-based projects in the city number 5,327, and are valued at a total of 14.18 billion US dollars, followed by Japan's 1,326 projects, worth 2.49 billion US dollars, and 1,463 projects invested in by the US, with a slightly lower total value.

Australian Insurance Company Opens Shanghai Office

OW0505140195 Beijing XINHUA in English 1349
GMT 5 May 95

[FBIS Transcribed Text] Shanghai, May 5 (XINHUA)—The Colonial Mutual Group of Australia, an international insurance and financial services institution, has established a representative office in this, the largest economic center in China, according to an announcement by the group here today.

The group, founded in 1873, is the largest life insurance company in Australia, with total fixed assets amounting to 33 billion Australian dollars. Its business scope has extended to Asian countries, including Indonesia, Singapore and Malaysia, in recent years.

David Adam, chairman of the group, expressed his hope to seek co-operation opportunities among Chinese economic groups, and to see a steady expansion for his business in Shanghai.

Guangxi Sea Ports Provide Trade Gateways

OW0805100695 Beijing XINHUA in English 0708
GMT 8 May 95

[FBIS Transcribed Text] Nanning, May 8 (XINHUA)—Three sea port cities in the Guangxi Zhuang Autonomous Region, bordering Vietnam, have become important gateways for the country's opening-up to the outside world thanks to years of construction efforts.

Beihai City facing Beibu Bay, which is a major deep-water port of the country, has invested six billion yuan (about 705.8 million U.S. dollars) in the past three years in the construction of a railway, ports, airports, and water supply and power facilities, thus remarkably improving its environment as a coastal city open to overseas investment, regional officials said.

In its construction drive, Qingzhou City, an important port in the region, has built two wharfs each capable of accommodating ships of over 10,000 dwt and a first-class highway leading to the port, which have all been put into use. Also under construction are oil terminals, four high-grade highways, and a railway leading to the port.

Since it was opened to foreign ships over a decade ago, Fangchenggang Port has established business ties with ports in more than 100 cities and regions. It has spent 340 million yuan in port infrastructure construction and technical transformation. Now it boasts nine 10,000-dwt berths and five smaller berths, bringing its annual freight-handling capacity to six million tons.

With improved ports and infrastructure, the three cities are attracting an increasing number of overseas and domestic investors.

Beihai has already approved 1,152 projects involving contractual overseas investment of 5.62 billion U.S. dollars from over 20 countries and regions, of which 958 million U.S. dollars has already been used. In addition, enterprises and institutions from other regions in China have opened over 4,000 offices in the city.

Qingzhou City has so far approved 237 projects involving pledged overseas investment of 440 million U.S. dollars.

Fangchenggang city has attracted overseas investors from over 20 countries and regions. Its border trade volume with Vietnam has reached some four billion yuan over the past three years.

China To Export Eight Container Ships to Germany

OW0405135695 Beijing XINHUA in English 1311
GMT 4 May 95

[FBIS Transcribed Text] Beijing, May 4 (XINHUA)—A contract for China to export container ships to Germany was signed here today in Beijing.

According to the contract, China will export eight multi-functional container ships to Germany in next two years, with a total value of over 100 million Deutsche marks.

The deal was made between China National Machinery Import and Export Corporation and Krey Shipping Company of Germany, and Jiangyang Shipbuilding Group of east China's Jiangsu Province will supply the container ships.

Agriculture

Tian Jiyun Inspects Sichuan Agriculture

HK0605033195 Chengdu SICHUAN RIBAO in Chinese
8 Apr 95 p 1

[By staff correspondent Yao Yi (1202 2496): "Tian Jiyun Stresses Developing the Rural Economy in Line With Local Conditions While Touring Sichuan"]

[FBIS Translated Text] Tian Jiyuan, member of the CPC Central Committee Political Bureau and vice chairman of the National People's Congress Standing Committee, inspected Sichuan from 25 March to 7 April. When talking about rural work, Tian Jiyun pointed out that devising plans with local conditions in mind, vigorously developing the rural economy, insisting on allowing certain people and regions to prosper ahead of others, and the policy of letting those people who have prospered lead those who have not, are the roads through which we must pass in invigorating the rural economy and eventually achieving common wealth.

During his stay in Sichuan, Tian Jiyun listened to reports by Xie Shijie, Xiao Yang, Yang Xizong, and other provincial leaders on their work and held talks with leaders of some provincial, city, prefectural, county, township, and town people's congresses. He toured the Chengdu Economic and Technological Development Zone, the Xinjin Individual Business Economic Development Experimental Zone, and some township and town enterprises and visited peasants at their homes, asking them details about their farming and lives.

In Xinjin County, Tian Jiyun inspected a privately run enterprise of national reputation—the Hope Corporation. When he learned that the corporation's annual fodder output amounted to 1.2 million tons, with an output value of 1.7 billion yuan, which had provided jobs for over 10,000 people and had set peasant households near the corporation toward achieving wealth, Tian Jiyun pointed out: The fact that Hope Corporation has expanded from a small to a large company, opening branches all over the country, and is on its way to international markets proves that the line, principle, and policies adopted since Third Plenary Session of the 11th CPC Central Committee have been entirely correct. Encouraging and supporting people to take the lead in achieving wealth in rural areas has at least four good effects: One, it helps develop local agricultural production and economic prosperity; two, it helps increase

employment and solve the problem of rural surplus labor; three, it helps increase state tax revenue; and four, it helps foster many talents in practical technology in rural areas.

Tian Jiyun stressed: Individual private enterprises must call into play social benefits and plough their profits back into expansion and reproduction, not spend it in consumption. They should insist on allowing certain people and regions to get rich first. The key here is those who have prospered will lead those who have not. The road of common wealth is the road through which we must pass in developing the rural economy in the initial stage of socialism. Before his departure, Tian Jiyun said to Liu Yonghao, president of the Hope Corporation: The party and the state encourage and support private enterprises such as yours. Feel free to do your work. The bigger your undertakings become, the better, for they are good for Sichuan and the country. Tian Jiyun also wrote an inscription: "Hope that tomorrow will be better."

Longquanyi District in Chengdu City took into account local conditions in pursuing agricultural development; it energetically developed aquatic industry and orchards on barren mountains, turning them into productive green belts, and forged a unique way in the comprehensive development of agricultural resources. Last year the district was officially designated as a "state-level model zone for comprehensive development of agricultural resources." During his inspection, Tian Jiyun fully affirmed the district's practices, pointing out that current efforts to develop the rural economy and bring about a comparatively well-off living standard to peasants rely on localities to tailor their programs to local conditions and find a path of development suitable to their local agriculture. He also said: We must pay attention to developing various types of ownership in rural areas and concentrate efforts on processing agricultural products. We must increase scientific and technological inputs, raise levels of management, integrate production, supply, and sales, and promote local, indigenous products on national and international markets.

At Shufang village, Longquan town, Tian Jiyun arrived at the home of peasant Chen Jiaming and chatted with him. Chen, pointing at the surrounding peach blossom trees, cheerfully told Vice Chairman Tian that he was vigorously developing stereoscopic [li ti 4539 7555] agriculture, acting on the idea of district party committee and government to comprehensively developing agricultural resources in line with local conditions. Exploiting shallow hill-slope terrain, he grew pear and peach orchards on different levels, and under them beans, potatoes, and peas, and bred fish in gullies and pools. In this way he can enjoy harvests all year round. He now earns a net annual income exceeding 30,000 yuan and has built himself a house. After learning that the whole village and Longquanyi District have learned from Chen Jiaming's example and, under his initiative, promoted stereoscopic agriculture and reaped rich harvests, Tian Jiyun said: To lead peasants to achieve a

comparatively well-off living standard, it is necessary to train a large number of diligent and wealth-achieving people like Chen Jiaming. Before he left, Tian Jiyun repeatedly reminded Chen Jiaming to keep up the good work, pursue agricultural production, and lead more people to achieve wealth.

In a discussion meeting with comrades from the provincial, city, prefectural, county, township, and town people's congresses, Tian Jiyun stressed that people's congresses must continue to step up the pace of legislation, especially economic legislation, and establish a legal framework for the socialist market economic system. We must strengthen supervision guided by law, promote implementation of laws, rules, and regulations, and improve the workings of people's congresses so that they may perform better.

During his stay in Sichuan, Tian Jiyun also toured the Chengdu (Edmond Leger) Electric Source and Electric Appliance Company Limited, a Sino-U.S. joint venture, and inspected No. 7062 Project Command of the Ministry of Aeronautics and Astronautics [as published], Chengdu Hengli Magnetic Material Factory, and other enterprises.

Trade Official Predicts Grain Exports To Decline

HK0705073595 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 7-13 May 95 p 1

[By Wang Yong: "Official Sees Fall In Grain Exports"]

[FBIS Transcribed Text] Grain exports will decline over time due to the pressure of feeding China's more than 1 billion mouths, predicts a trade official.

"Although exports of corn will continue to grow in the short-and medium-term, ballooning per capita consumption of meat and the ever-growing feed industry will gradually put an end to corn exports," said Qiu Xichun of the Ministry of Foreign Trade and Economic Cooperation.

China was a net grain exporter in 1992 and 1993.

Before the 1980s, rice accounted for 45-50 per cent of China's overall grain exports. But in 1993, rice constituted only 1 per cent of the grain exports, while corn made up 84 per cent.

Major buyers of Chinese corn are South Korea, Russia and Japan.

With corn exports set to decline, rice exports will not see a recovery, either, Qiu predicts.

"Rice is the only grain product which has the potential of export growth in the future, but the huge domestic demand will cap the annual rice export volume under 2 million tons," he said.

China has a population of 1.2 billion living off approximately 100 million hectares of arable land.

"Our per capita agricultural resources will continue to shrink in the run-up to 2020," Qiu said.

"China will partially rely on grain imports to feed its domestic demand for a relatively long period.

"The imports are necessary because of insufficient domestic production capacity, not because of temporary need during one or two bad years."

Wheat has been making up more than 90 per cent of China's total grain imports. Major suppliers are Canada, the United States and France.

It is expected that China would have to purchase 10 million tons of wheat a year in the near future, Qiu said.

"If people are better off in the last few years of this century, our annual wheat imports are likely to hit 15 million tons," he predicted.

In the first two decades of the next century, China's annual wheat imports are estimated to be around 20 million tons.

"It's reasonable for China to maintain a proper amount of grain imports in the long term," Qiu said, adding that the exports should be focused on rice, whose international price level is relatively higher than some other products.

Qiu also urges the State to establish a grain reserve cushion system to offset possible crises.

"Despite the need for proper imports, China must rely primarily on itself to satisfy the huge demand at home.

"Imports cannot save a China which is unable to feed most of the domestic demand," Qiu said.

China's grain imports surged from 1977 to 1983. The average annual import volume in this period was 10.85 million tons, while the export volume was by far smaller.

State Statistical Bureau on Grain Production

HK0805040095 Beijing RENMIN RIBAO in Chinese 2 Apr 95 p 2

[Article by State Statistical Bureau's General Agricultural Survey Team: "Current Situation of Grain Production in the Country Plus Proposals"]

[FBIS Translated Text] I. Grain Production Situation in 1994

Last year, our country's agriculture was hit rather badly by natural disasters. In some localities, grain production was hit hard and output decreased, some cities were in short supply of grain and prices went up. The grain problem had once again become the focus of attention in society. According to a sample survey on grain output by the State Statistics Bureau's General Agricultural Survey Team, the total grain output in our country last year was 444.50 million tonnes, a reduction of 12 million tonnes compared with 1993, and a 2.5 percent decrease.

1. Summer grain, early season grain, and autumn grain outputs all decreased. Last year, the total summer grain output in the country was 104 million tonnes, a reduction of 4.6 million tonnes compared with the previous year; the total early season grain output was 40.87 million tonnes, a reduction of 270,000 tonnes compared with the previous year; and the total autumn grain output was 299.63 million tonnes, a reduction of 7.13 million tonnes compared with the previous year.

2. Main grain varieties such as wheat, unhusked rice [dao gu 4470 6253], and maize all witnessed a decrease in output. Last year, the total output of wheat in the country was 99.3 million tonnes, a reduction of about 7.1 million tonnes compared with the previous year; of the decrease, winter wheat output decreased 4.5 million tonnes, and spring wheat output decreased 2.6 million tonnes. As for unhusked rice, following a reduction of more than 8.5 million tonnes in 1993, the total output in 1994 further decreased to 175.9 million tonnes, which was about a 1.5 million tonnes reduction compared with 1993.

3. The decrease in output mainly occurred in the areas which were seriously hit by natural disasters. As far as the regions are concerned, in 1994, a total of 21 provinces, autonomous regions, and municipalities witnessed a decrease in grain output, and among these places, Henan, Liaoning, Shaanxi, Anhui, Guangxi, Jiangsu, Sichuan, and Shanxi all witnessed a reduction of over 1 million tonnes. The main reason for the decrease in output was because Henan, Shaanxi, Anhui, and other provinces were hit by serious droughts that rarely seen before in history; Liaoning, Guangxi, and other regions were hit by frequent floods, storms, and other natural disasters, which seriously undermined grain production. There were nine provinces and autonomous regions which witnessed an increase in grain output, and among these places, Heilongjiang, Hebei, Jilin increased output by over 1 million tonnes; Hubei and Hunan, over 900,000 tonnes; and Yunnan and Jiangxi, over 500,000 tonnes.

4. The area of grain farmland dropped below the warning level. According to preliminary statistics, last year, the area of grain farmland in the country was 1.64 billion mu, which was below the warning level of 1.65 billion mu of grain farmland, and was a reduction of 17 million mu compared with the previous year. It was a year of relatively large decreases in grain farmland in recent years, and this decrease in farmland was responsible for a reduction of 4.5 million tonnes of grain.

II. There Was a Basic Balance Between Supply and Demand of Grain, With Supply Becoming Tightened, But the Structures of Regions and Varieties Were Unbalanced

Preliminary estimates said that the quantity needed by the society in 1994 was about 445 million tonnes, and judging from the point of view of supply and demand, the total grain output in the country in 1994 was 444.5

million tonnes, so it could essentially meet the demand, but at a slight shortfall. After a portion of the state's special grain reserve was used for the balance, no great problems emerged in the area of supply and demand. However, the unbalanced structures of regions and varieties were still very acute, and serious efforts must be made to solve them.

1. Grain production among various regions was unbalanced, and the difference in per capita occupation widened.

As far as the whole country is concerned, the 21 locations which witnessed a decrease in output had decreased output by some 20 million tonnes; the nine locations which witnessed an increase in output had increased output by more than 8 million tonnes. As far as the locations are concerned, the provinces and autonomous regions with an increase in output, included counties and cities which experienced a decrease in output; the locations which witnessed a decrease in output included places that had an increase in output. Therefore, supply and demand in the whole country were basically balanced, but those areas which were hit by natural disasters, as well as some poverty-stricken areas, still had a comparatively large shortage of grain.

The per capita production of grain decreased, and the gap widened. In 1993, the per capita production of grain in the whole country was 390 kg, and in 1994 it dropped to 376 kg, and that was a 14 kg decrease on a per capita basis. Judging from the conditions in various localities, the gap widened. In 1994, in the seven provinces and autonomous regions of Liaoning, Shaanxi, Henan, Guangxi, Anhui, Xinjiang, and Shanxi, the per capita production of grain decreased by more than 30 kg compared with 1993, whereas in the two provinces of Heilongjiang and Jilin, the per capita production of grain increased by more than 30 kg compared with the previous year. In 1993, the standard deviation of the per capita production of grain was 123.3; in 1994, it rose to 132.7, and this showed that the situation of unequal production of grain among different regions has intensified.

In the southeast coastal regions, the per capita production of grain has generally decreased.

2. The contradiction regarding varieties of grain was mainly manifested in the unbalanced supply and demand of unhusked rice, wheat, and corn in some localities.

The demand of unhusked rice in the marketing regions increased, and the difficulties of transferring unhusked rice out of the producing regions increased. In Guangdong, Guangxi, and Fujian where grain was in short supply, demand for unhusked rice in 1994 all increased to varying degrees. The three provinces of Anhui, Sichuan, and Jiangsu are the major rice-producing regions, as well as being the major rice-consuming regions, and their outputs of unhusked rice represents a

relatively big proportion of the country's output; in 1994, their outputs respectively decreased by 1.4 million tonnes, 1.08 million tonnes, and 830,000 tonnes compared with 1993, which caused a tense relation between supply and demand of unhusked rice. Hunan, Jiangxi, Hubei, Heilongjiang, and Jilin are the provinces from which grain is transferred out, and although their outputs of unhusked rice in 1994 respectively increased by 870,000 tonnes, 840,000 tonnes, 680,000 tonnes, 310,000 tonnes, and 180,000 tonnes over 1993, due to restraints by various factors, the difficulties in transferring unhusked rice out of these provinces increased.

The country has been in short supply of wheat for a long time. Judging from the regions, the shortage is mainly in the marketing regions, and the major grain-producing regions can basically satisfy need.

The supply and demand of corn in the country are basically balanced, but in the major pig-producing areas in the south, there is a shortage of feed which is made with this crop. In 1994, the country's corn output decreased by 3.4 million tonnes, and such decreases mainly took place in the three provinces of Liaoning, Henan, and Shaanxi. The big decrease in corn output caused a short supply of corn in these regions. In 1994, pig farming in some localities in the south developed rapidly, and the demand for the corn which was used as feed increased quite rapidly. In particular, pig farming in the provinces of Sichuan, Hunan, and Jiangxi developed comparatively rapidly, and the demand for corn greatly increased, leading to a greater shortage of corn supply. The outputs of corn in the three provinces of Jilin, Hebei, and Heilongjiang all increased by about 800,000 tonnes over the previous year, and it is expected that the quantity to be transferred from there can increase. As far as the whole country is concerned, if effective regulation and control is carried out among provinces, and export is appropriately restricted, then, the country can basically achieve a balance between supply and demand of corn.

3. Since the reform of the system for buying and selling grain, the means of macro regulation and control have weakened, and when a contradiction arises from the supply and demand of grain, it is difficult to carry out regulation and control effectively.

In recent years, along with the opening up of our country's grain market, and the granting of the operation rights to grain enterprises, the quantity of grain actually controlled by the "state's hand" has become smaller and smaller. Regarding the original reserve of about 90 million tonnes of emergency grain, the right to use the grain has been granted to some localities, and only the special grain reserve is actually directly controlled by the state and moved by the state. Therefore, the purpose of this special grain reserve has changed from its original implication, and it is now not only a special grain reserve used to regulate abundance and scarcity, but it has also become the state's necessary reserve. The special grain reserve has gradually changed from a current

deposit to a fixed deposit. After the reform of the grain management system, enterprises must pay attention to returns on operation, and if the state does not clearly specify who is going to shoulder the losses caused by the policy of price stabilization in the market, then enterprises will not take the initiative in shouldering the duty of stabilizing prices in the market. Even if a portion of the grain is taken out to stabilize prices in the market, the operators will go to the market to buy grain that very year or the following year in order to beef up stock, and will not wait for another year's bumper harvest; in this way, the regulation of abundance and scarcity can barely play a role, and the government's macro regulation and control can barely reach the expected goal.

III. Prospects for Grain Production This Year, and Several Proposals for Realizing Balance Between Supply and Demand

In 1995, favorable and unfavorable conditions for grain production coexist. An estimate based on this shows that the total grain output for the whole year may possibly reach 455 million tonnes and this basically belongs to growth of a recovery nature, but it will be very difficult to have a great increase in output to allow the total quantity of grain exceed what is needed for a balance.

The favorable conditions for grain production in 1995 are: first, grain production has already attracted keen attention from the leaders of various levels. The relevant department in the country has already decided that, this year, input in agricultural production will be increased. Banks have also increased loans for agricultural production.

Promulgation and implementation of these measures will help improve the conditions for agricultural production, and thus upgrade the comprehensive ability of agricultural production. second, the price of grain has increased rapidly and this will play a certain role in rousing the peasants' enthusiasm for production. third, grain areas are expected to increase. According to the survey on the peasants' intention to grow crops, grain areas in 1995 will increase over last year. Fourth, the supply of the means of production will be better than last year.

There are also unfavorable conditions for grain production: first, the prices of the means of agricultural production increase too rapidly, and peasants are unhappy about this. second, the total area of farmland in the country decreases. third, under the current rural economy system, there are many difficulties in improving the conditions for agricultural production; agriculture is at the mercy of the heavens and natural disasters can still play a role in restraining grain production in the whole country. According to recent observations by a U.S. satellite of the central and eastern Pacific Ocean, the El-Nino phenomenon has already occurred, and the climate of some parts of Asia will be affected by it and consequently strange conditions will emerge, in which south China may even have droughts.

Based on an analysis of the relevant data, the total demand of grain in the society in 1995 will exceed 455 million tonnes, therefore our total grain output should strive to reach 455 million tonnes or more, to realize a basic balance between the supply and demand of grain. For this reason, the following proposals are made:

1. On the basis of stabilizing the areas that produce grain, strive to upgrade the standard of per unit area yield. Strive to ensure that the total area under grain is over 1.65 billion mu, and strive to enable per mu grain output to reach 280 kg. The first thing to do is to stabilize the area of farmland, upgrade multiple crop index, and enlarge the area which produces grain. In the south, efforts should be made to expand the area with early season rice by 10 million mu, so as to enable the area with early season rice to maintain the level of 130 million mu. Efforts should also be made to increase the per unit area yield, so as to enable self-sufficiency in rice in the southern coastal regions to improve markedly. In the north and the northeast, cultivation of spring wheat should be expanded. third, increase input, the farmlands that lie fallow in the south during winter should be explored and utilized, to increase the total supply of grain. Fourth, strengthen the management of agricultural production, promote agricultural science and technology, and strive to increase the per unit area yield.

2. Increase the state's input in grain production. At present, the problem of aging and unrepaired irrigation facilities in various localities is rather acute, and the state needs to increase the sum of investment. In addition, judging from the tendency of grain development in recent years, as the global temperature becomes warmer, the potential for the north to increase output is quite big. If investment is increased to improve the irrigation conditions in the north, such investment will certainly play an important role in increasing the total supply of grain. It is suggested that the relevant department should seriously study the issue of expanding the water resources in the north and increasing the north's water storage ability, and provide some really workable measures. To increase input in agriculture, we still have to stress the common effort to be made by the state, localities, and peasants.

3. Take effective measures to control the prices of the means of agricultural production. The increase in the prices of the means of agricultural production bother peasants, who worry that the benefit from the increase in grain prices will be offset by the increase in the prices of the means of agricultural production. Stabilizing the prices of the means of production, therefore, is conducive to encouraging peasants to grow grain.

4. Deepen the reform of the grain circulation system, strengthen the state's role in carrying out macro regulation and control of grain, and rationally fix the levels of import and export. Clarify the duties, powers, and benefits for grain enterprises, and separate the business of a political nature from the business of a commercial

nature, so as to enable state-run grain enterprises to more effectively play the role of the main channel in the area of distribution, and to stabilize grain prices in the market. Properly manage and use the special grain reserve, do a good job in regulating abundance and scarcity, and achieve a balance between the supply and demand of grain. Do a good job in monitoring, analyzing, and predicting the situation of the supply and demand of grain in the country, and properly arrange import and export of grain.

5. One urgent task is to supply grain to the areas hit by natural disasters, as well as the poverty-stricken areas. Regarding the problem of shortage of grain in the economically developed areas, we may adopt the policy of guaranteeing supply but not guaranteeing the price, and transfer grain to these areas. From a long-term perspective, the marketing areas should make great efforts to grasp grain production by the horns and increase their grain reserves, whereas the regulation of surplus and shortage of grain among regions, and the regulation of varieties of grain, should be performed by the local governments at their own discretion.

6. The state should plan long-term and formulate a long-term and stable grain development plan, to ensure that grain production can have a better and stable environment for development, and can obtain sustained and stable growth.

Agricultural Investment Said 'Inadequate'

HK0805060595 Hong Kong HONGKONG STANDARD in English 8 May 95 p 6

[By Emily Ginsberg]

[FBIS Transcribed Text] Beijing's renewed focus on agriculture has been totally neglected in practice, according to a senior official with the State Council, China's cabinet.

Development and Research Centre director Li Boxi says there has been inadequate investment in the first quarter of this year along with continual price rises in farm materials.

According to the State Statistics Bureau (SSB), only 500 million yuan (HK\$462 million) was invested in farming in the first two months of this year.

"It is far from enough," said the official.

More than 40 per cent of state-owned companies selling farm materials are short of money to buy goods. As a result, farmers cannot buy enough materials in the busy spring ploughing season.

The SSB said more than half the country was short of chemical fertilisers. Nationwide, the shortage is around 10 million tonnes in the first half of this year, said Zhu Yu, an official with the Ministry of Agriculture.

Meanwhile, prices have been rising much faster in rural areas than in urban areas.

The government fixed the price for a tonne of urea at around 1,050 yuan but it jumped to 2,200 yuan on the market.

"No doubt, prices for farm materials are unlikely to drop this year as the central authorities expected," Ms Li said. "This is posing a big threat to the central government's anti-inflation efforts."

After record price rises last year, Beijing is budgeting for inflation to fall to 15 per cent this year.

But economists with the Chinese Academy of Social Sciences predict the retail sales price index and consumer price index will at least reach 14.7 per cent and 16.8 per cent respectively.

In addition to the weak support for agriculture, the fast expansion of money supply in the first quarter of this year has added more pressure, said an official with the People's Bank of China.

At a spring economic forum conference held by the academy, Wang Dayong said, "There is no indication to show an arrival of a soft landing to the economy."

Fast growth of foreign exchange reserves in the first quarter will force the central bank to expand money supply, Mr Wang said.

At the same time, economists suggest that the government increases imports to stabilise prices in the domestic market. "The government should do its best to make trade balance this year," said Ms Li.

Foreign Businessmen Urged To Exploit Agriculture

HK0605081095 Beijing ZHONGGUO XINWEN SHE in English 0335 GMT 6 May 95

[FBIS Transcribed Text] Jinan, May 6 (CNS)—Shandong Province has recently drawn measures to encourage foreign businessmen to invest in its comprehensive development of agriculture. The main content of the measures covers introduction of foreign capital into renovation of low and medium yield farmland, construction and improvement of agricultural basic facilities, and exploitation of agricultural items which can earn foreign exchange.

Introduction of new varieties, new technology for the upgrading of processing, means of fresh storage, and storage of farm produce and poultry products by making use of foreign capital are also encouraged. A preferential policy on tariffs will be implemented according to the state stipulations for the import of equipment and material required of agricultural items.

Foreign businessmen are welcomed to invest in comprehensive exploitation of barren hill areas and undeveloped land. Foreign investment in such areas will be given preferential treatment in terms of taxation, as long as it registers an investment value of more than US\$ 10 million. Such items will be allowed in domestic sales in a bid to enable a balance of foreign exchange. Foreign businessmen are also allowed to engage in the export of certain products and commodities which are not subject to application of export permits.

Shandong will allocate two million mu of shoals in shallow sea areas in a well planned way for the use of foreign investment in speeding up exploitation of the aquatic products industry. Foreign investment for the breeding of aquatic products will be allowed to engage in processing, storage and transport of the aquatic products. A preferential taxation policy will be implemented for these items according to state stipulations.

Survey: Beijing Benefits From Agricultural Growth

OW0605115095 Beijing XINHUA in English 0757 GMT 6 May 95

[FBIS Transcribed Text] Chengdu, May 6 (XINHUA)—China has benefitted from comprehensive agricultural development over the past seven years, according to a recent national meeting here.

A survey showed that the program on the development of comprehensive agriculture has expanded from 11 districts of 11 provinces to 1,024 counties in 29 provinces and regions, and 9.87 million hectares of low-yield farmland have been transformed, helping the country to increase the grain output by 40 percent.

According to the meeting, the program focuses on economic, social and ecological benefits, thus helping raise farm productivity, increase farmers' income and improve ecological conditions.

Projects under the program employ industrial management, introduce the latest scientific research findings, and rely on farmers with the support from the state.

According to the survey, a record of 32.83 billion yuan has been used in the program over the past seven years, and both the state and localities have pledged to invest more this year.

*Guangdong Increases Spring Grain Area

95CE0357X Beijing NONGMIN RIBAO in Chinese 29 Apr 95 p 1

[FBIS Summary] This year the spring grain area in Guangdong Province will be 3,530,000 mu, an increase of 500,000 mu over 1994, and estimated output is 820,000 tons, an increase of 140,000 tons, or 21 percent over 1994.

East Region**Fujian Takes Steps To Curb Price Hikes***OW0605115395 Beijing XINHUA in English 0653
GMT 6 May 95*

[FBIS Transcribed Text] Beijing, May 6 (XINHUA)—East China's Fujian Province, which suffered high commodity prices in the past several months, is taking measures to curb price hikes.

The consumer's price index in the province was listed in the seventh place in the country last year.

In February this year, the inflation rate in the capital city of Fuzhou was the highest in the 35 large and medium-sized cities in China.

Economists attributed high inflation in the province to the insufficient supply of vegetables and non-staple foodstuffs.

The local government has set the target to limit the inflation rate at about 15 percent this year.

To meet the target, the province has taken a series of measures including building vegetable-production bases and increasing supply by various channels.

According to plan of the local government, some 1.8 million live pigs, 50,000 tons of eggs, 530,000 tons of vegetables and 285 tons of aquatic products will be provided for residents in the province this year.

China's inflation rate is dropping in 1995.

Shandong Secretary on Township Enterprises*SK0605074595 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 5 May 95*

[FBIS Translated Text] On 5 May, at the provincial town and township enterprise bureau, the provincial party committee and provincial government cosponsored an on-the-spot meeting on the work of town and township enterprises. Present at the meeting were Zhao Zhihao, secretary of the provincial party committee; Li Chunting, deputy secretary of the provincial party committee and governor of the provincial government; Shao Guifang, vice governor of the provincial government; and responsible persons of the provincial-level departments concerned. Li Chunting chaired the meeting. Zhao Zhihao made an important speech at the meeting.

Zhao Zhihao stressed: We should continue to deepen the reform of town and township enterprises. In reforming town and township enterprises, we should persistently seek truth from facts; proceed from reality; and focus on defining property rights, changing management mechanisms, strengthening management, and enhancing enterprises' internal vitality. It is necessary to accelerate the pace of developing the export-oriented economy and to upgrade the export-oriented degree of our province's town and township enterprises. We should strengthen

enterprise management to realize as quickly as possible a turn from traditional management to modernized management. By optimizing the economic structure, we should change the provincial situation that the structure of town and township enterprises becomes older, product standing is low, enterprises are small in scale, and the ability in market competition is weak. We should positively promote scientific and technological progress and attach importance to developing high-tech, high value-added products that can create lots of foreign exchange and occupy more markets.

Zhao Zhihao stressed: We should further strengthen the leadership over town and township enterprises, give different instructions to different enterprises, and promote a coordinate development of town and township enterprises in the eastern and western areas of the province. The eastern and western areas should further strengthen economic and technological cooperation, organically combine their advantages, help and promote each other, and make common development and improvement.

At the meeting, Li Chunting made a speech on how to resolve the problems and difficulties ahead of town and township enterprises and on accelerating the development of town and township enterprises.

Shanghai To Further Boost Posts, Communications*OW0605114995 Beijing XINHUA in English 0810
GMT 6 May 95*

[FBIS Transcribed Text] Shanghai, May 6 (XINHUA)—Shanghai, China's largest industrial city, is to add more than one million program-controlled telephone lines this year as one of the major initiatives to further boost its posts and telecommunications.

A municipal official said the city plans to upgrade its telephone system from seven digitals to eight digitals this year. The city's mail handling capacity is expected to reach 6 billion pieces.

The official said Shanghai plans to invest more than four billion yuan in telecommunications this year with Pudong.

According to the official, another 500,000 customers will join in the new telephone service system this year and the city vows to meet the demands in telephone installation in Pudong's urban area and its outskirts and surrounding counties.

In long distance telephone service, Shanghai will complete 50,000-line program-controlled switches and expand an international satellite earth station. Another 12,000 long-distance telephone lines will be built this year. All the mobile telephone customers will have access to such services when necessary.

Shanghai Mayor Stresses Political, Legal Work

OW0605140395 Shanghai JIEFANG RIBAO in Chinese
23 Apr 95 p 1

[Report by Zheng Fawei (6774 3127 3837): "Huang Ju Asks Cadres at Various Levels of Shanghai's Political and Legal Sectors To Remain Sober-Minded, Keep High Morale, and Continue To Do a Good Job in Political and Legal Work"]

[FBIS Translated Text] To conscientiously strengthen the leading bodies of political and legal departments at various levels and ensure the construction in politics, ideology, workstyle, and discipline, the municipal political and legal commission launched a study class for responsible cadres of Shanghai's political and legal sectors yesterday. Huang Ju, secretary of the Shanghai Municipal CPC Committee, and Wang Liping, deputy secretary of the Shanghai CPC Committee and secretary of the Shanghai Political and Legal Commission, addressed the class.

Huang Ju noted: The municipal party committee has held a series of important meetings to make overall arrangements for various work. The political and legal front line has played a special and important role in the course of the socialist modernization drive, and the great achievements of Shanghai's various political and legal departments, the broad masses of cadres, armed police, and officers and men in "significantly changing Shanghai in three years" should be fully confirmed and should not be ignored. The party and people have held out great hope for Shanghai's political and legal work, which must be better conducted by personnel concerned through upholding the party's basic line, proceeding from where Shanghai stands, and honestly fulfilling their sacred responsibilities.

Huang Ju stressed: Maintaining social stability is a very important task of the whole party. Shanghai is presently enjoying social stability, a good economic situation, and due support of the people; but many difficulties and problems also exist, and the political and legal departments are facing an arduous task, shouldering heavier burdens, and taking greater responsibility. Responsible comrades of political and legal departments at various levels must remain sober-minded, keep high morale, show no complacency with their achievements, strive for progress in the face of difficulties, and make persistent efforts for more new methods and experiences.

Huang Ju demanded that political and legal departments conscientiously strengthen the construction in mechanism, ideology, workstyle, and legal system. Comrades in charge of political and legal departments should conscientiously study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics; maintain a high degree of political unity with the CPC Central Committee; and be loyal to the party, country, and people. They should be strict with themselves, conduct rigorous administration, and enforce the discipline to

strengthen the political and legal forces and further enhance their fighting capability and cohesiveness. Huang Ju said: The construction of a legal system is one of the guarantees for Shanghai's economic and social development and the foundation for consolidating the people's political power and one of the fruits of reform and opening up. Political and legal departments should strictly abide by laws in their work and, in the meantime, duly contribute to the legal system's construction.

Wang Liping analyzed the current situation of political and legal forces. While affirming the main political and legal forces, he also pointed out some problems. He demanded that various levels of leading cadres in charge of political and legal work have a firm belief in communism, earnestly study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, stress the party spirit, be aware of the overall situation, and set an example in practicing democratic centralism. Political and legal work must be subject to the party's overall work and serve the central task of economic construction. He particularly hoped that middle-aged and young cadres would set an example of diligent work, studying, unity, honest service for the people, and conscientious implementation of the party's basic line.

Comrades attending the class pledged to make a good job of all work under the leadership of the municipal party committee and government; contribute to Shanghai's social stability; and provide a good social environment for Shanghai's reform, opening up, and economic development. Also attending the meeting were members of the municipal political and legal commission, including Zhu Daren, Ni Hongfu, Hu Ruibang, Xue Mingren, Wang Yunzhang, and Shi Debao; Liu Yungeng, deputy secretary general of the municipal party committee; Chen Shijie, deputy director of the municipal party committee organization department; and responsible cadres of municipal, district, and county political and legal departments.

Shanghai To Streamline Municipal Organizations

OW0705144495 Beijing XINHUA in English 1414
GMT 7 May 95

[FBIS Transcribed Text] Shanghai, May 7 (XINHUA)—The Municipal Government of east China's Shanghai City is to streamline its organizations and offices.

Of the total 84 municipal committees, offices and bureaus, 31 will be cut and only 53 will remain. Four other special organs will be set up to manage the committees and bureaus, according to Huang Yuewen, director of the general office of the Municipal Organizations Authorization Committee.

He said that the guideline for the streamlining is to separate government functions from enterprises and to improve working efficiency.

The reform will be first carried out in the Party and government organizations at the municipal level.

Reform in the organizations at the district and county level will also begin on a trial basis.

Meanwhile the organizational reform in the municipal People's Congress (NPC), the People's Political Consultative Conference (CPPCC), and local court and procuratorate is under preparation, he added.

Shanghai Textile Industry Moves to Suburbs

HK0805095795 Beijing ZHONGGUO XINWEN SHE in English 0544 GMT 6 May 95

[FBIS Transcribed Text] Shanghai, May 6 (CNS)—The textile industry in Shanghai, with a history of 100 years, is now moving towards the suburbs and other provinces and cities.

Up to now, 96 textile enterprises in Shanghai have left the prime sites in the centre of Shanghai by closing down, suspension of business, integration, transfer, moving to other places, and so on.

At the same time, six small centralized textile industry regions are forming in the suburbs and counties in Shanghai. Moreover, the textile industry in Shanghai is now setting up bases for the supply of raw and processed materials, production of primary products, and the purchase of products from foreign countries in other provinces and cities through share subscription, shareholding, joint investment, renting, compensation, contracting and so on. Some agreements have already been reached.

The shifting of 100,000 to 200,000 spindles and 20 combers from Shanghai to Xinjiang has started. After a large group of textile enterprises have moved away from urban areas, 150 pieces of land with a total area of 1.07 million square metres were vacated, from which the enterprises received differential land fee of more than RMB 700 million [renminbi]. This sum of money will be mainly used for technological restructuring after reorganization of their enterprises.

The aim of the adjustment of the distribution of textile enterprises in Shanghai is to form a three-tier distribution structure with urban areas as the core and rural areas as the base, which will help the development of textile industry in other provinces and cities. In this way, the textile industry in Shanghai can proceed towards "high quality, new technology, diversification, and export orientation".

The development target of the textile industry in Shanghai is to enable the industry to become China's leading textile centre in import and export, new technology, new products, design and information.

Central-South Region

Shenzhen Says Fetus Sale Report 'Distortion'

HK0605054195 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1221 GMT 4 May 95

[FBIS Translated Text] Hong Kong, 4 May (ZHONGGUO TONGXUN SHE)—In response to a recent report

by a Hong Kong weekly magazine that "Shenzhen sells fetuses as food," a relevant person in Shenzhen told reporters of this news agency that the report was inaccurate, and that no one in Shenzhen sells fetuses. The allegation that "some public hospitals in Shenzhen have been selling fetuses as a tonic," was sheer fabrication, and a distortion of the facts by some Hong Kong people who had resorted to trickery.

The spokesman said that Shenzhen has strict regulations on how to handle abortion extracts. According to investigation, no one in state medical units and community medical organizations has sold fetuses or abortion extracts. Medical organizations throughout the city have assigned specific personnel to burn abortion extracts according to standardized regulations. Regarding the organizations that illegally and privately provide abortion services, once they are discovered, they will be dealt with severely. According to investigations, in early April, a man and a woman who claimed to be Hong Kong residents, went to the Shenzhen City Maternity and Child-Care Clinic saying that because they have poor health, they wanted to buy fetuses. When a nurse told them that fetuses were not available, they said they wanted abortion extracts. The nurse told them that all abortion extracts have to be treated and could not be kept, adding that she had no idea that abortion extracts could be used as health food. The woman insisted that she had poor health and needed them to treat her illness. The next day, the nurse gave them a bottle of abortion extracts, and when they offered the nurse money, the nurse said: "No one wants this thing; you want it, you take it, free of charge." It is not known why the weekly magazine went so far as to write the incident into "selling them as tonic."

Guangzhou Real Estate Structure Improves

OW0605141295 Beijing XINHUA in English 1350 GMT 6 May 95

[FBIS Transcribed Text] Guangzhou, May 6 (XINHUA)—Real estate, one of the economic backbones of this capital of south China's Guangdong Province, has succeeded in improving its structure.

In 1994 the total investment in this sector reached 18.9 billion yuan, accounting for 36 percent of the total local investment in fixed assets.

Of the total, some eight billion yuan was invested by foreigners, statistics show.

A local official said that the construction of commercial buildings takes the lion's share of the whole sector, with input reaching 12.6 billion yuan and more than 10 million sq m of commercial buildings now under construction.

Experts agree that there will be bright prospects for the real estate industry in the city, as the local economy has

grown by high rates in the past few years, and residents' incomes and living standards are showing an upward trend.

Guangxi's Beihai City Reshuffles Leaders

HK0605044995 Beijing ZHONGGUO XINWEN SHE
in English 1128 GMT 5 May 95

[FBIS Transcribed Text] Beihai, May 5 (CNS)—There was a reshuffle of government leaders of Beihai, a coastal city of the Guangxi Zhuang Autonomous Region which is opened to foreign trade. Yang Jichang, member of the Standing Committee of the Party Committee of the Region, was appointed secretary of the municipal Party Committee of Beihai and vice mayor of the city.

The above decision of the Party Committee of the Region was announced by Ma Qingsheng, deputy secretary of the Party Committee of the Region, at a meeting yesterday's afternoon.

According to the decision, Wang Qinglu, former Secretary of the municipal Party Committee of Beihai, Suai Ligu, former mayor of the City, and Wang Fangchun, former deputy mayor of the City, would be transferred to work in the regional government organs.

The Standing Committee of the National People's Congress of Beihai held the 37th conference yesterday to approve the decision.

Before taking up his new post, Mr. Yang had been standing committee member and director of Propaganda Department under the Party Committee of the Guangxi Region.

Hunan Province Establishes Labor Export System

OW0605115295 Beijing XINHUA in English 0801
GMT 6 May 95

[FBIS Transcribed Text] Changsha, May 6 (XINHUA)—Hunan Province in central China, a leading farming region, has helped more than five million rural surplus laborers to find jobs outside the province through its own labor markets in recent years, who bring back home an annual income of about five billion yuan (588 million US dollars), sources here said.

The number of surplus rural laborers who left the fields due to updating of technology has topped 10 million in Hunan. Meanwhile coastal more-developed regions have a shortage of labor.

The province has set up more than 300 job agencies and more than 900 labor service stations the township-level. It has also established more than ten large labor markets.

Besides, the province has set up about ten labor management offices in coastal regions aimed at regulating labor outflow.

To upgrade the educational level of the labor force, more than 140 technical schools, some 300 employment

training centers and more than 600 training units are providing various kinds of training to the rural laborers.

Southwest Region

Sichuan Develops Social Security Coverage

OW0605114295 Beijing XINHUA in English 0812
GMT 6 May 95

[FBIS Transcribed Text] Chengdu, May 6 (XINHUA)—A social security system, covering retirement, unemployment, industrial injury and medical care, is taking shape in Sichuan, the most populous province in China.

The province has earmarked 15.4 million yuan as allowances for retired workers from forestry-related factories.

A pension system, which combines the efforts of the state, enterprises and workers, has played an important role since it was set up a decade ago.

The province also built an unemployment security system to provide assistance to 10,000 workers who lost their jobs after their factories were declared bankrupt. The local government has issued 30 million yuan as relief funds and helped the unemployed to learn new skills by opening training courses.

Meanwhile, 1.5 million workers have taken out insurance policies against industrial injury, and 1.1 million others have paid for medical insurance.

Seventeen prefectures and cities have opened auditing offices to ensure social security to proceed along the right direction.

6th Tibet CPPCC Committee Holds 8th Meeting

OW0605140295 Lhasa Tibet Television Network in
Mandarin 1200 GMT 5 May 95

[From the "Regional News Hookup" program]

[FBIS Translated Text] The Standing Committee of the Sixth Tibet Regional Committee of the Chinese People's Political Consultative Conference [CPPCC] held its eighth meeting in Lhasa on the morning of 5 May. Regional CPPCC Vice Chairman Lhamin Soinam Lhun-zhub presided.

Attending the meeting were regional CPPCC vice chairmen, including Jangzhong Zhaxi Doje, Lha'u Cewang Doje, Tangmai Gongjue Baimu, Qaba Gaisang Wangdui, Duoizha Renzengqinmo Jiangbailuosang, Zhou Qishun, Xu Hongsen, Gama Cedain, and Yang Chaoji; as well as standing committee members. Samding Doje Pamo Deqinquzhen, (Jipu Pingcuo Ciden), and other members of the CPPCC National Committee in Tibet; as well as responsible cadres from the regional party committee propaganda department, nationalities and religious affairs commission, Buddhist association, and CPPCC committees of various prefectures and cities were invited to the meeting as observers.

The major items on the agenda were to convey the guidelines of the Third Session of the Eighth CPPCC National Committee and the CPPCC National Committee's forum on exchanging work experiences of local CPPCC committees, examine and approve the date for convening the Third Session of the Sixth Tibet CPPCC Committee, discuss and revise the Sixth Tibet CPPCC Committee Standing Committee work report, and issues about electing and appointing additional members. [video opens with a meeting hall seated with about 50 people; camera alternatively shows close-up shots of leaders seated in front of the meeting hall and medium shots of other participants]

Construction of 62 Projects in Tibet 'Stepped Up'

OW0605115195 Beijing XINHUA in English 0657
GMT 6 May 95

[FBIS Transcribed Text] Lhasa, May 6 (XINHUA)—China has stepped up construction of 62 large projects in Tibet this year in a bid to promote economic and social development in the autonomous region.

The projects, arranged by the central authority and financed by both the state and other provinces, are estimated to cost 2.38 billion yuan, according to local officials.

The projects cover agriculture, forestry, irrigation, transport, telecommunications, industry, education, health care, television services and urban construction.

While two-thirds of the projects will be completed by the end of August, others are to finish in the next two years.

All the counties in Tibet will benefit from these projects, local officials said.

The projects are part of the move by the central government to commemorate the 30th anniversary of the establishment of the autonomous region, which comes in September.

Construction on Tibet's Water Projects Continues

OW0705013395 Beijing XINHUA in English 0109
GMT 7 May 95

[FBIS Transcribed Text] Lhasa, May 7 (XINHUA)—Construction of a number of key water conservancy facilities is in full swing in the Tibet Autonomous Region.

Included are the Yamzho Yumco Pumping and Storage Hydroelectric Power Station, of which the first generating unit will be put into operation by the end of this year, the Chalong Power Station in north Tibet's Nagqu, which begins to generate electricity around the same time, and the Manla water conservancy project, which is proceeding well along the valley of the Yarlung Zangbo, Lhasa and Puncur rivers.

With a total generating capacity of 112,500 kilowatts, the Yamzho Yumco Pumping and Storage Hydroelectric Power Station is considered the highest power station in the world.

The Chalong Power Station and the Manla water conservancy project will have a generating capacity of 10,800 kilowatts and 20,000 kilowatts each.

Upon completion, these projects are expected to double Tibet's present power capacity.

Yang Chuantang Views Tibet's Development

OW0505133795 Lhasa XIZANG RIBAO in Chinese 21
Apr 95 pp 1, 3

[Article by Yang Chuantang (2799 0278 1016): "Effectively Safeguard, Guide, and Bring Into Play the People's Enthusiasm; Deepen Implementation of the Guidelines of the Third Forum on Work in Tibet"]

[FBIS Translated Text] The Third Forum on Work in Tibet, held by the party Central Committee and State Council, put forward key strategic policies on quickening Tibet's development and safeguarding social stability from the high plane of taking the party and nation's overall situation into consideration. It also specified the guiding principles and policies for work in Tibet in the future as well as put forward the goals and thoughts for the region's development at the turn of the century. In addition, the meeting mobilized the entire nation to help Tibet. This is a new starting point and milestone for Tibet's development. The region's various nationalities are currently joining the upsurge of reform and development with extreme enthusiasm. It should be noted this is a strong force for realizing the majestic goals forwarded by the central authorities for quickening Tibet's development as well as the fundamental factor and political foundation for safeguarding the region's social stability. We must safeguard, guide, and bring into play the people's enthusiasm to draw on their thoughts and extreme fervor for realizing the majestic goal of attaining speedy development. We must continue to deepen the implementation of the guidelines of the Third Forum on Work in Tibet.

First, we must establish clear goals. In taking the overall situation into consideration from a strategic high plane, The Third Forum forwarded the goal of achieving an average 10-percent growth rate for Tibet's gross national product by the end of this century; basically fulfilling the tasks of casting off poverty; leading a majority of people to achieve a relatively comfortable living standard; and bringing about a higher margin in the overall level of national economic and social development. The central authorities forwarded this goal after giving full consideration to Tibet's current economic and social development, and to narrowing the development gap between Tibet and the nation. The goal, reliable and attainable through efforts, was outlined after study, earnest analysis

of favorable and restrictive factors, and repeated verification. This is the common goal that the entire region from top to bottom, governments at all levels, and all departments should jointly strive for. To realize this goal, all departments should set objectives, and all prefectures, cities, and counties must, on the basis of full study and scientific verification, also forward development objectives suited to their actual local conditions.

Tibet is a vast region with fairly large differences in natural conditions and environment as well as imbalanced development between localities and departments. Therefore, while drawing up development objectives for local prefectures, counties, and departments, every leading cadre must establish the concept of making decisions scientifically. We must not only center on the region's overall development goals but also integrate conditions in localities and departments. We must draw on advantages while avoiding weaknesses, and seek truth from facts. We must avoid dogmatism and sheer imagination. The region's development growth rate has been fixed at 10 percent. However, it does not mean that every prefecture, county, or department is required to set this growth rate. Prefectures, counties, and departments with favorable conditions must aim to exceed 10 percent, while those with poor conditions may target a growth rate of below 10 percent. The general requirement is that we must set a practical and feasible development goal. The principle that must be adhered to when determining this development goal is practicality. It is impractical if development that can be quickened is not, and development that cannot be quickened is sped up. This is to keep and bring into play the people's enthusiasm to the fullest extent. If a goal set too high cannot be attained, the people's enthusiasm will be dampened. In addition, all prefectures and counties should, according to their local conditions, effectively handle relations between pace and efficiency and quality; readjust the industrial structure as soon as possible; and bring into play local resource advantages to reap the greatest economic benefits and ensure the realization of Tibet's general goal.

Second, we should have a clear concept. In light of Tibet's current economic development situation, the Third Forum pointed out that, for a period henceforth, in economic development Tibet must first readjust and optimize the industrial structure in consideration of its reality, and then develop primary industry steadily; develop secondary industry in a selective way; make great efforts to develop tertiary industry; give higher priority to the construction of infrastructure, including electric power, transport, and telecommunications; and accelerate the development of science, technology, and education. The central authorities put forward the development concept in order to make Tibet overcome poverty and backwardness, and catch up with other parts of the country sooner. This concept is feasible and in conformity with Tibet's reality, and we must accelerate Tibet's economic development in accordance with it. However, various prefectures and counties must not

mechanically copy it in formulating their own development concept. They must consider local conditions to decide whether they should develop agriculture, animal husbandry, or forestry. Border regions may give play to their geographic advantages to develop border trade to achieve a breakthrough in economic development. With a clear orientation and concept, we should make breakthroughs at selected points, strive to develop whatever industries are suited to local conditions, formulate development plans that are compatible with local realities, work in a creative way, and make a new progress in work in our localities and departments.

We must rely on ourselves and work hard to accelerate development. In paying attention to Tibet's work, the central authorities have formulated many special policies for this region and mobilized the whole country to support Tibet. We should say that these policy measures have already created a good external environment for us to accelerate Tibet's economic development. However, it is still necessary for us to bring into play the subjective initiative of the broad masses of cadres and people in this region, seriously implement these policies in our development, and base our development on self-reliance and hard work. Self-reliance and hard work are our strength as well as our tradition.

Third, it is necessary to formulate a series of specific, feasible measures. The Third Forum set the general objectives, and a series of major principles and policies concerning Tibet's development. We should constantly study and thoroughly understand the Forum's guidelines. In order to attain these objectives, we must formulate specific, feasible measures.

In formulating the measures, we should adhere to the following rules: (1) We should formulate feasible, specific measures in consideration of Tibet's actual conditions, in accordance with its economic development objective, and on the basis of full investigation and research. (2) The measures should be conducive to maintaining social stability in Tibet and to safeguarding the unification of the motherland. An important political task of people of all nationalities in Tibet is to safeguard the motherland's unification, and ensure our country's sovereignty and territorial integrity. The key to maintaining stability in Tibet lies in the struggle against the Dalai clique, and we should thoroughly understand and implement this guideline. Our cadres at all levels should take a firm stand, keep a clear head, and make overall plans for propaganda work, ideological work, organizational work, personnel affairs, united front work, nationalities affairs, religious affairs, political and legal work, public security, state security, foreign affairs, external propaganda work, and military affairs. We should make comprehensive efforts to carry out the policy measures step by step, and create a good political and social environment for attaining Tibet's overall economic development. (3) The measures should focus on economic construction to accelerate Tibet's development. The measures should be designed to benefit the people in

Tibet, help accelerate Tibet's development, and help attain the development objectives set by the central authorities for Tibet. We should give higher priority to improving infrastructure for agriculture, animal husbandry, energy, transport and telecommunications, and to the development of education, science, and technology in accordance with the industrial policies formulated by the central authorities for this region. At the same time, we should accelerate the development of social undertakings, satisfy the people's material and cultural needs, and improve national quality. (4) We should accelerate the reform of state-owned enterprises, rural and pastoral areas, and the macroeconomic regulation and control system, with the objective of establishing a socialist market economic structure. Through the reform, we should create a strong motive force for accelerating development and enhance our economic vitality. (5) The measures should help open up Tibet wider to the outside world. The central authorities have formulated a series of preferential policies for Tibet, our abundant natural resources remain to be exploited, and the nationwide support for Tibet has created favorable conditions for us to open up the region wider to the outside. We must further emancipate our minds and create a pattern of multi-directional opening up through many channels at various levels. By opening up wider, we should make Tibet's economic structure converge with the economic structure of other parts of our country. We should learn from advanced Chinese and foreign experience, and create a new situation of vigorous and rapid development in Tibet. (6) We should make full and flexible use of the special, preferential policies formulated by the central authorities for Tibet. During the Third Forum, the central authorities clearly and definitely set eight special policies for Tibet. These policies constitute the necessary external conditions for Tibet's economic restructuring. All functional departments in this region should seriously study and understand the contents of these special policies and formulate specific corresponding rules for their implementation.

Fourth, we should display a solid work style. Now that the major policies, guiding principles for our work, and development objectives for a period henceforth have been established, our important task is to do all work in a down-to-earth way and strive to turn policy decisions and work plans into concrete actions of cadres and the people. In order to attain our development objectives, it is necessary for us to work steadily and make solid progress.

In order to do solid work, our leading bodies and leading cadres at various levels must be devoted to their work, have a strong sense of responsibility, provide good leadership, and ensure that all measures and plans are implemented. We should enhance our awareness of the masses' needs, follow the mass line, go deep into the realities of life to conduct investigation and study, make great efforts to solve practical problems, constantly study new circumstances, solve new problems, listen to the

masses' opinions, and seek concrete solutions to problems. Leading cadres at various levels should spend more time on study and less time on socializing; and pay attention to both the major issues of the entire area and the specific work of specific localities. We should constantly study theories and general and managerial knowledge, learn job skills, and enhance our ability in leading the undertakings of reform, opening up, and modernization. We should tell the truth, perform actual deeds, seek actual results, and resolutely stop the unhealthy tendencies of boasting, exaggeration, and formality.

Party members, cadres, and people of all nationalities in this region should work under the leadership of the party Central Committee and the autonomous regional party committee; arm themselves ideologically with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics; actively and steadily realize the development objectives set by the party Central Committee and State Council for Tibet; and further implement the guidelines of the Third Forum on Work in Tibet.

Article on Importance of Stability in Tibet

OW0505161095 Lhasa XIZANG RIBAO in Chinese 24 Apr 95 p 2

[Article by Wang Dejun (3076 1795 6511): "Stability Is the Precondition for Achieving the Objective of Developing Tibet"]

[FBIS Translated Text] 1. Social and Political Stability Are the Preconditions and Prerequisites for Ensuring Economic Development in Tibet

Stability and development are dialectically united. The former is the precondition and requisite for the latter. To develop, one must maintain stability, even while carrying forward the goal of achieving development. We must not miss our opportunity and obstruct development. Only economic development will help us attain stability once and for all. Comrade Jiang Zemin pointed out: "Stability in Tibet is the precondition for the sustained development of all undertakings in the region, and for gradually improving the people's living standards. Without it, we cannot talk about anything. Tibet's stability is also of great significance to reform, development, and stability throughout the country." In other words, a country or region which succeeds in maintaining long-term stability will be the one to make rapid strides in development. Turmoil and splittism will only bring poverty and suffering to a country or region.

Maintaining stability is the minimum requirement for economic and social development in a country. Tibet has wide expanses of land and a sparse population, but its political, economic, and cultural development is extremely uneven because it is greatly restricted by objective factors. Tibet was peacefully liberated only 43 years ago, and between then and now it has undergone a decade of great calamity. Because of that, and also

because of the vestiges of feudal serfdom and the very low scientific and educational levels among its nationalities, the party Central Committee has to make many times the effort it made in other regions to achieve the major achievements we enjoy today. The people of Tibet have savored the sweet taste of reform, opening up, and social and political stability. However, in the course of more than 40 years of development in Tibet, destabilizing factors have always been present to disrupt and obstruct social progress and the liberation of people in our region. In recent years in particular, the Dalai clique, capitalizing on our opening up and the policy allowing Tibetan comrades in foreign countries to come and go as they please, has moved its splittist activity from abroad into this country, and intensified its effort to preach the idea of "independence" to cadres, monks, laymen, the masses, and upper circles, and incite them to splittism. The splittists have utilized ethnic and religious issues to create disturbances under the banner of nationality and religion. They have also capitalized on the estrangement between nationalities, which is a legacy of history, and the wounds to religious beliefs, inflicted by the "Cultural Revolution," to sow dissension, incite the people, and carry out splittist activities and sabotage. If we fail to carry out a blow-by-blow struggle against splittism, Tibet will not enjoy a stable situation, a good environment for development, and normal progress in all its work. "Tibet's stability and security affect the country's stability and security." Accelerating Tibet's development serves not only to solve the economic issue of gaps between different regions in development, but also involves the political issue of overall strategic situation. Decades of strenuous exploration and practice have proven that socialist modernization in Tibet is a tortuous path and is never plain sailing, and that sustained development can only be achieved through stability.

2. Be Prepared for Danger in Times of Peace and Attach Great Importance To Existing Destabilizing Factors

We want to achieve the second-step strategic objective, and move from fulfilling "basic needs" to attaining "moderate prosperity," and from the planned to socialist market economy, in the 1990's. Our serious attention is required because our country is at the initial stage of socialism, and because we would face many conflicts and destabilizing factors in the course of economic development and in the course of switching to another economic system.

First, we should not ignore the infiltration of Western ideologies, politics, culture, and other things into our country, and the impact of destabilizing factors from the great global cycle, particularly Russia's disintegration and the drastic changes in Eastern Europe. International hostile forces have made us their principal target, and used the so-called "Tibet issue" as a breakthrough point to attack our domestic and foreign policies, sow confusion, and split China. Since 1987, the Dalai clique, with the support of international hostile forces and repeating the same old trick it played in March 1959, has intensified its splittist activities and sabotage, and has on many

occasions premeditatedly created riots and disturbances in Lhasa in an organized and planned manner to seriously disrupt economic construction in our region.

Second, we should pay attention to handling some deep-seated problems that were formed in the process of reform and development, and hot topics of concern to the masses. The deepening of reform necessitates further liberating and developing the productive forces. The development of the productive forces, however, would bring changes to the structure of interests, and clashes between different interest and social groups would become increasingly apparent. The socialist market economy is still nascent and imperfect, there is unfair social distribution, and there are yawning gaps between the rich and poor. These problems will affect social stability if improperly handled. Members of our society have placed too much hope on reform without first gaining sufficient understanding of the protracted nature, difficulty, and complexity of reform and development. Their only wish is to benefit from reform. They lack sufficient understanding, lack the psychological ability to handle possible problems, are unwilling to sacrifice personal gains, and fail to correctly handle the relations between partial and overall interests, short- and long-term interests, and interests of the state, collective, and individual. In a way, because reform means changes and readjustment of the relations between different interests, it will complicate the structure of interests. Failure to correctly approach and handle the above issue will ignite many social conflicts. In Tibet, conflicts, no matter what their causes are, will in the objective sense feed the arrogance of the splittist forces.

The period between now and the end of this century is crucial to the economic and social development of Tibet. Under the new situation, we must keep a clear head, correctly analyze and assess our situation, strengthen the people's democratic dictatorship, vigorously improve all facets of public order, crack down on all kinds of criminal activities, improve the standard and results of our "rigorous crackdowns on crimes," and rigorously crack down on all types of criminal offenders and economic criminals. In particular, because of the rigorous struggle between splittism and antisplittism taking place in our region, party and government organizations at all levels and leading cadres should not show any sign of slackening in their vigilance or take the enemy lightly. Instead, they should continue to thoroughly implement the principle of "grasping with both hands" and "both hands must be firm," and always give top priority to the principal matter of the antisplittist struggle and stabilizing the situation. We should uproot each and every splittist as soon as we uncover them, and finish off those who manipulate from behind the scenes and underground organizations as soon as they appear, so that they will not get anywhere, and so that the security of reform and development is guaranteed, which will allow the people to enjoy a social environment in which they can live and work in peace and contentment. The principles, policies, and measures against splittism that were

defined further by the central authorities have given us a powerful ideological weapon to use in the present phase of class struggle.

3. Our Party Is the Key to Lasting Good Order in Tibet

Comrade Jiang Zemin pointed out: "To ensure the comprehensive implementation of major central policies and principles, we should first build the party and government." Our success or failure in party building in the new historical era will determine the success or doom of the socialist cause. Tibet's achievements in the past 40 years or so were made under the correct leadership of our party, with the vigorous support of fraternal provinces and municipalities all over the country, and the hard work of all nationalities in Tibet. These tremendous successes were hard-won. However, more often than not, mistakes and setbacks come mainly from within the party. In recent years, party style, the general mood of society, and corrupt phenomena have been the issues most often discussed by people inside or outside the party. They have exerted a very negative influence on social stability and development, lowered the people's confidence in the party and government, and seriously polluted the social environment. At the same time, they have given the Dalai clique and rioters a handle to use and ammunition against the party and socialist system—things that could also be used to create disturbances. This situation should evoke introspection. The party Central Committee has repeatedly stressed that the two most important aspects of the four cardinal principles are the party's leadership and the socialist path. As long as we have correct and staunch leadership at all levels in the party we will fear nothing, weather all kinds of storms, and withstand all kinds of tests. The key, however, is to ensure that no problems occur in the party. More often than not, social stability hinges on political stability which depends to a certain extent on "whether or not we could effectively handle the CPC's internal matters." Comrade Deng Xiaoping pointed out: "If a problem is to occur in China, it will happen inside the CPC." Therefore, the state of the party will have a decisive bearing on the destiny of our country and nationalities. In short, we should closely combine the antipittist struggle with stabilizing the situation and developing the economy; vigorously publicize the history of Tibet as an inalienable part of the motherland; vigorously publicize the great achievements made after the peaceful liberation of Tibet, particularly following reform and opening up; thoroughly expose the crimes committed by the Dalai clique in the past, when people were brutally oppressed and exploited; vigorously publicize the ideology of "two inseparables"; and use facts to criticize and expose the Dalai clique's evil purpose and vain attempt to split the motherland and preach "Tibet independence." Only through these efforts can Tibet have a bright future.

North Region

Beijing To Implement Worker Reemployment Project

SK0605073795 Beijing BEIJING RIBAO in Chinese 23 Mar 95 p 1

[Article by reporter Guo Qili (6753 2722 2698): "Reem-

ployment Project Will Be Implemented in Beijing"]

[FBIS Translated Text] Those who are unemployed and receiving unemployment insurance may enjoy a reduction or exemption of tuitions when taking part in professional technique training for employment purposes at "assigned schools." The unemployed in society are encouraged to voluntarily organize private- and civilian-run enterprises or individual businesses with funds collected by themselves. Enterprises should allocate to surplus personnel all fixed amounts of capital for self-employment. The "reemployment project" involving the said measures will soon be put into effect in the municipality so the unemployed living in the administrative division of the municipality, as well as the surplus staff members and workers of enterprises, will be able to find new jobs as quickly as possible.

It is reported that along with the readjustment of the municipality's industrial structure and the deepening of enterprise reform, about 15,000 jobless persons have emerged annually since 1992. In addition to a considerable number of surplus personnel within enterprises, unemployment will become a serious problem in the capital.

Therefore, strengthening employment services and creating conditions for helping the unemployed employ themselves will become the primary content of this systematic project: for instance, further developing employment agencies, particularly centers for the exchange of workers within the same trades and labor service markets within enterprises; establishing a system for collecting and distributing the information concerning the demand and supply of laborers; and training personnel who are to be reemployed with new techniques in a well-organized manner so as to meet the needs of laborer markets.

Meanwhile, the municipality has worked out policies to encourage enterprises to allocate funds to their surplus laborers. This year, five million to 10 million yuan in employment insurance will be arranged to support enterprises to develop the tertiary industry. Particularly, the municipality will grant interest-deducted loans to run labor-intensive labor employment service enterprises so as to create new work posts for enterprises' surplus personnel.

The municipal labor department will adopt special policies to appropriately arrange those with difficulties in looking for new jobs because of their old ages and poor health.

Besides, strengthening the management of peasants who come to Beijing to engage in industrial production and balancing the contradictions in Beijing's employment will become components of the "reemployment project."

The municipal labor bureau estimated that the implementation of this systematic project would offer an

important guarantee for controlling the municipality's unemployment rate around 1 percent.

New Policy Enlivens Shanxi's Coal Industry

OW0605111795 Beijing XINHUA Domestic Service in Chinese 0101 GMT 5 May 95

["Weekend Economic Commentary" by reporter Yu Zhenhai (0060 2182 3189): "The 'Three No's' Measure Enlivens the Overall Situation"]

[FBIS Translated Text] Taiyuan, 5 May (XINHUA)—Since January this year, all of Shanxi's coal industrial departments have strictly carried out the "three no's" measure, enabling the coal industry to gain vitality that has not been seen over the last few years. This completely new change in the coal industry has driven forward the entire reform of all industries of the economic sector and contributed to the national economy's orderly and healthy functioning.

Since 1993, the country's coal industry has undergone a drastic change: coal prices have been decontrolled and the coal industry has completely become market-oriented. However, right at the beginning of the change, coal departments across the country began to get bogged down in huge debts. At the end of last year, metallurgical, chemical, electric power, and fuel companies across the country owed coal departments nearly 30 billion yuan in total. Coal payments owed by other provinces to Shanxi, from which coal shipped to other provinces accounts for 80 percent of the country's inter-provincial coal shipping, reached a record high of 6.78 billion yuan. Shanxi lost nearly 800 million yuan annually—about the annual output value of a large mining bureau—in interest alone from the huge debt. Some people said Shanxi was China's largest interest-free bank while others said the whole nation wrote the country's largest "white note" [IOU] to Shanxi.

The huge debts put Shanxi in a very difficult economic situation. Because the coal industry took up large amounts of limited funds from banks, the province's chemical, machine-building, electric power, building materials, and metallurgical industries suffered "malnutrition." The debts reduced the coal industry's revenue by 33.4 yuan and its profit by 34.9 yuan for each tonne of coal; the overall production capacities of some key state-owned coal enterprises dropped 7-10 percent.

Shanxi's coal industrial enterprises have closely adhered to the "three no's" measure—"no coal before payment; no coal before receiving a check; and no coal before settling old debts"—since its adoption at the end of last year, and likened it to a "life-saving policy." Since then, the coal industry has freed itself from being shackled by debt problems and "white notes" of large amounts have begun to be honored.

Based on the "three no's" policy, coal shipping and marketing companies at all levels in Shanxi have adopted a series of specific measures to ensure collection

of coal payments. To form a united front, Taiyuan's coal trading center has set and ensured the implementation of unified quotations of prices of coal to be shipped to other provinces, thus stopping the practice of cutting prices to compete, which was widely followed in the past.

Implementation of the "three no's" policy has enabled coal enterprises, railway and sea transport enterprises, and large numbers of coal consumers to understand one logic: Coal suppliers, shippers, and consumers have a common interest—if any one of them loses, all of them lose; if any one of them gains, all gain. The three can survive and develop only by cooperating with each other on an equal basis and by supporting each other.

The "three no's" policy has turned coal enterprises from the "black louts" of the past into "little rascals." These enterprises have come to realize that customer service should be improved as a first step toward implementing the "three no's" policy. Shanxi's coal industry has generally improved its marketing functions since the beginning of this year. Instead of being "product-oriented" [chan pin xing 3934 0756 0992] as in the past, enterprises have become "commodity-oriented" [shang pin xing 0794 0756 0992]; coal mines have shifted their attention from output to quality, changing their practice of "counting coal heaps" in favor of "computing returns and assessing costs." Local coal enterprises have expedited intensive coal processing, beginning with coke production; major state-owned coal enterprises have rapidly restructured their product mix in keeping with market demand. The Shanxi, Fenxi, and Huozhou Mining Bureaus have increased their output of washed coal. The Luan, Jincheng, and Yangquan Mining Bureaus have improved coal-mining methods, resulting in increased lump-coal productivity. Thanks to these adjustments, Shanxi's coal mines have expanded their services to various parts of the country, diversified their products, ensured customer satisfaction, and encountered fewer difficulties in collecting payments. This year, advance payments made by customers to the Datong, Shanxi, and Yangquan Mining Bureaus have increased substantially over those made in 1994. Local coal-transportation departments at all levels in Shanxi have changed their previous practice of "sitting in a chair in the office and awaiting sales opportunities" in favor of "carrying their goods in bags and hawking them in the market." All localities have formed various "payment-demanding groups" tasked with publicizing the "three no's" policy, thus facilitating the process of obtaining payments for their goods.

Railway departments and ports have also begun improving their services. The Qinhuangdao and Shanghai coal wharves used to store coal from Datong in random heaps without sorting it by quality. Since customers who paid a good price could not obtain quality coal under such an arrangement, they were reluctant to take delivery and often let the cargoes sit in warehouses beyond their delivery dates; this affected normal shipping. The two coal wharves are now trying their best to

sort coal unloaded from ships, thus solving the problem of "buying inferior coal for a good price" that had chronically plagued customers; the practice has also quickened freight throughput, and helped coal-producing regions in Datong achieve the goal of "negotiating prices according to quality" when selling their coal. By adjusting shipping routes, altering plans, and providing other services, railway departments have provided greater assistance in shipping Shanxi-produced coal to other parts of the country. Relations between the "coal and railway sectors" have improved as a consequence.

In addition to collecting debts owed them, coal enterprises are making an active effort to repay debts owed to

other sectors, thus releasing railway, construction, and electric power sectors from the debt chain afflicting the coal industry. Thanks to their independent operations following the implementation of the "three no's" policy, coal enterprises are now in a position to earmark funds to be lent to other sectors; this has given rise to an entirely new process in which the parties concerned exert beneficial effects on each other. People in economic circles liken the "three no's" policy to an "interim regulation" that codifies economic activity during the transition period from the planned economy to a market economy; they characterize it as the path that leads enterprises—especially those in the state sector—toward operations within the legal framework.

Taiwan Not Commenting on Li's U.S. Visit Plan
OW0605020795 Taipei CNA in English 0152 GMT 6 May 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, May 5 (CNA)—Both the American Institute in Taiwan (AIT) and the Ministry of Foreign Affairs on Friday [5 May] declined to comment on a local newspaper report saying AIT Director-General B. Lynn Pascoe had requested that ROC President Li Teng-hui not visit the United States because it would jeopardize Taipei-Washington ties.

An AIT spokesman, citing AIT policy, refused to comment on the report but would not deny it. The AIT represents US interests in Taiwan in the lack of official diplomatic links between the two countries.

The widely circulated CHINA TIMES EXPRESS, a Taipei-based evening newspaper, carried a report on the front-page Friday saying the Taipei-Washington ties seemed to have been endangered over the push for Li's US visit.

The report said during his meeting with Li in March, Pascoe had warned of the negative impact a Li visit to the US might have on the Beijing-Washington ties—an outcome the Clinton administration would want to avoid.

An AIT official who spoke on condition of anonymity said, however, that he did not remember a Pascoe-Li meeting in March.

The US House of Representatives, by a unanimous vote of 396-0 on Tuesday, endorsed a concurrent resolution asking the Clinton administration to welcome Li to visit his alma mater, Cornell University, and to make a transit stop in Anchorage to address a joint conference of the USA-ROC, ROC-USA economic councils.

A day later, the US State Department released a statement saying: "This administration has the greatest respect for President Li and what he has accomplished for Taiwan economically and politically. Nonetheless, a visit by Li would have serious consequences for US foreign policy."

The Ministry of Foreign Affairs also refused to comment on the CHINA TIMES EXPRESS report, although its spokesman, Rock Leng, pledged to continue to push for Li's US visit.

"The Chinese communists have not changed their attitude of isolating Taiwan in the international community. The government will by no means back down from Li's US visit plan only to please Beijing," Leng said.

He said Beijing need not worry about its ties with Washington being affected because of a Li visit, however. Li has visited Southeast Asia and the Middle East

in recent years, but none of the countries he visited has seen its ties with Beijing changed drastically, he pointed out.

Taiwan Seeks Ties With Washington, Other Cities

OW0605033595 Taipei CNA in English 0110 GMT 6 May 95

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, May 5 (CNA)—Taipei Mayor Chen Shui-bian said Friday [5 May] that the city will take the initiative in establishing sisterhood ties with other capital cities around the world.

Chen pointed out that he has in mind Washington, Paris and Warsaw for his planned "city-to-city diplomacy." He expressed the hope to forge similar ties with Tokyo when he visited there in March.

The mayor made the remarks while meeting with Legislator Paris Chang of the opposition Democratic Progressive Party (DPP), who inquired about Taipei's intention of entering into a sister-city relationship with Washington. Chang is also the DPP's representative in the United States.

Chang told Chen that he would do his best to make the sisterhood ties materialize.

Noting that Taipei has already forged sisterhood ties with 10 US cities, Chen called it a "great regret" that Taipei has not yet become a sister city of the US capital. He stressed that he believes the whole nation is looking to the establishment of such ties, which he said would be a major breakthrough in Taiwan's people-to-people diplomacy.

Official ties between Taiwan and the United States were suspended in 1979 when the US Government switched its recognition from Taipei to Beijing.

Taipei is also making contact with Boston for sister-city ties, and is hopeful the effort will soon bear fruit, Chen pointed out. Moreover, he said he is considering making a visit to France to seek sisterhood ties between Taipei and Paris.

Efforts to push for a sister-city relationship with Warsaw have also been under way, he added.

Taiwan on Date Proposed by U.S for Economic Talks

OW0605023495 Taipei CNA in English 0144 GMT 6 May 95

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, May 5 (CNA)—The United States has proposed that the vice-ministerial economic dialogue between Taiwan and the United

States be held in Washington, D.C. on June 22, the Ministry of Foreign Affairs said Friday [5 May].

The meeting, which will be the first of its kind and the highest-level meeting between the two countries since official ties were suspended in 1979, was originally scheduled for mid-April.

Ministry spokesman Rock Leng pointed out that while both sides have yet to work out an agenda for the meeting, the government will officially reply to the US invitation after related government agencies reach a consensus on the proposed date.

Taiwan had earlier asked that six major topics be discussed at the meeting, including judicial cooperation, the Asia-Pacific Economic Cooperation forum, the General Agreement on Tariffs and Trade, Taiwan's plan to become an Asia-Pacific business-operations center, international financial trends, and bilateral trade issues, Leng elaborated.

But, he said, "The United States has not yet informed us of its planned agenda."

Taiwan, which previously planned to be represented by Vice Foreign Affairs Minister [Administrative Vice Minister] Stephen S.F. Chen, will instead send Vice Economic Affairs Minister [Administrative Vice Minister] Sheu Ke-sheng to the meeting at the request of the United States, which said South Korea and India sent vice-ministerial officials in charge of economic affairs to similar meetings.

Noting that he does not think the United States has intentionally postponed the dialogue, Leng stressed that the planned meeting should strengthen substantive ties between the two countries.

Chiang Sees 'Good Progress' Toward WTO Entry

OW0805055895 Taipei CNA in English 0135 GMT 8 May 95

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, May 6 (CNA)—The Republic of China [ROC] is making good progress toward becoming a signatory to the General Agreement on Tariffs and Trade and its successor body, the World Trade Organization, Economics Minister P.K. Chiang said Saturday [6 May].

Chiang said the government has so far held over 100 rounds of trade talks with WTO members and has reached agreements with many of them.

Among the major issues, the United States has asked Taiwan to further open its tobacco and alcohol markets, Japan wants Taiwan to allow in its compact cars, and New Zealand is pushing for an opening up of the beef market.

Chiang said the government could not possibly consent to all such requests, out of consideration for domestic

industries, but added that negotiations have stalled because of Taiwan's reluctance to give ground.

But Chiang said that although joining the WTO would inevitably have a great effect on the domestic automobile and agriculture industries, it would also benefit Taiwan because of the reciprocal trade advantages accorded it by WTO countries, and would also boost Taiwan's production value.

Chiang stressed that although Taiwan's bid to enter the WTO has encountered difficulty, including obstruction from Beijing, and that after joining the WTO Taiwan may be flooded with cheap mainland Chinese goods, the ministry has mapped out measures to minimize the impact of WTO membership.

The WTO has 125 member countries, and more than a dozen nations are applying to enter the world trade regulatory body, including Mainland China.

Taiwan applied to join GATT in 1990 and was awarded observer status in September 1992. It hopes to become a full member this year.

Chiang To Lead Delegation To Italy, Germany

OW0605033695 Taipei CNA in English 0104 GMT 6 May 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, May 5 (CNA)—Economic Affairs Minister P.K. Chiang will lead a 60-member business delegation to Italy and Germany in late May, the ministry said Friday [5 May].

"The trip is intended to step up economic ties with the two countries," a ministry official said.

Italy and Germany are the two major contributors to Taiwan's widening trade gap with Europe. Taiwan's trade deficit with Italy and Germany amounted to US\$650 million and US\$1.53 billion last year, respectively.

While in Italy, Chiang and his group will attend a private economic meeting. A local newspaper reported earlier this week that Chiang, on behalf of the government, will sign a business-alliance deal with Olivetti, Italy's biggest computer company, but the official declined to comment on the report.

Chiang, the official added, will also participate in the third economic meeting between the ROC and Germany.

In addition to 20 government officials, the delegation will also comprise representatives of major Taiwan enterprises.

Taiwan 'Working Hard' To Attend Summit

OW0805052095 Taipei CNA in English 0120 GMT 8 May 95

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, May 6 (CNA)—The ROC [Republic of China] Government is working hard to be included in the first Asia-Europe leaders summit scheduled to be held in Bangkok next March, Ministry of Foreign Affairs officials said Saturday [6 May].

The officials said they hope to share Taiwan's successful economic-development experience with other nations at the summit meeting.

High-ranking officials from the Association of Southeast Asian Nations (ASEAN) and European Union (EU) proposed on the date and venue of the first summit during a meeting last month.

The summit is aimed at promoting economic exchanges between Europe and Asia. It was first proposed by Singapore Prime Minister Goh Chok Tong during a visit with French President Francois Mitterrand last year. Goh told Mitterrand that economic exchanges between the Asia-Pacific and Europe were not as frequent as those between North America and the Asia-Pacific or North America and Europe, and so proposed that ASEAN and the EU co-host such a summit. Mitterrand agreed.

According to the Bangkok-based English daily THE NATION on Thursday, the summit will be attended by heads of state from 15 European Union countries, Russia, India, most members of the Asian-Pacific Economic Cooperation forum, and ASEAN nations.

ASEAN has not finalized the list of participating nations, however, but it is known that in addition to the ROC, New Zealand and Hong Kong have also expressed keen interest in participating.

Beijing is pressuring ASEAN nations to block Taiwan from the meeting. ASEAN groups Singapore, Thailand, Malaysia, Indonesia, Brunei, and the Philippines.

The ROC Foreign Affairs Ministry officials said an ASEAN ministerial meeting in July will make a final decision on the participating nations at the summit.

Transport Minister Departs for U.S. Visit

OW0605103695 Taipei CNA in English 0953 GMT 6 May 95

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, May 6 (CNA)—Transportation and Communications Minister Liu Chao-shuan left for the United States Saturday [6 May] for a three-day visit.

Liu will deliver a keynote speech at a board meeting of the USA-ROC Economic Council scheduled to be held in Washington, D.C. Monday.

Liu will brief board members of the nonprofit organization on Taiwan's major infrastructure construction projects, its plan to develop itself into a regional transshipment center, and the resulting trade, investment and

technical-cooperation opportunities for American companies, ministry sources said.

During his stay in Washington, Liu will also meet with US Transportation Secretary Federico F. Pena and other high-ranking officials to discuss transportation-development trends in the Asia-Pacific and possible cooperation programs between Taiwan and the US, the sources said.

Pena visited Taipei last year to attend an annual joint meeting of the ROC-USA and USA-ROC economic councils. He will also attend Monday's USA-ROC Economic Council board meeting.

The USA-ROC Economic Council groups American companies with interests in Taiwan.

This year's ROC-USA and USA-ROC economic councils joint meeting will be held in Alaska in December.

Shippers Apply for Cross-Strait Permits

OW0805104195 Taipei CNA in English 0951 GMT 8 May 95

[By Sofia Wu]

[FBIS Transcribed Text] Kaohsiung, May 8 (CNA)—The Kaohsiung Harbor Bureau began to accept applications for operating cross-Taiwan strait transshipping services Monday, ushering in a new era in Taiwan's shipping history.

On the opening day of the offshore transshipping center at the Kaohsiung Harbor in southern Taiwan, three local shipping companies—Yangming Marine Transport Corp., Evergreen Marine Corp. and Yong Long Steamship Co.—filed their applications for opening cross-strait transshipping services.

Under the new regulations governing offshore transshipping services, foreign feeder ships or foreign-registered Taiwan ships can now sail between Kaohsiung and Mainland Chinese ports for cargo transshipment purposes.

Under the regulations, both Taiwan and mainland shippers can also rent foreign feeder ships for cross-strait cargo transshipment services.

All those ships can transport mainland goods to be shipped to third areas or countries or cargoes from third countries to be transshipped to the mainland. Both mainland-bound Taiwan products or Taiwan-destined mainland goods must still be transshipped through a third area.

The new measure is part of Taiwan's effort to improve its prospects of becoming an Asia-Pacific business hub as the Republic of China [ROC] government still bans direct transportation links with Mainland China.

According to the new regulations, a shipping company must submit its operations plan, shipping schedule for

the next three months and the names of ships to ply the cross-strait routes plus a formal application form.

Kaohsiung Harbor Bureau Deputy Director Hsieh Chin-chang said if all documents presented by Yangming, Evergreen and Yong Long meet government requirements, the bureau will approve their applications for opening cross-strait transshipping services within the next one or two days.

Yangming plans to ply the Kaohsiung-Shanghai route and has leased two foreign feeder ships for container cargo transshipping services between the two ports. Evergreen intends to operate Kaohsiung-Shanghai and Kaohsiung-Tianjin-Qingdao transshipment services, while Yong Long wants to ply the Kaohsiung-Xiamen route. The two firms have also leased foreign ships for the new services.

Hsieh said the opening of offshore transshipping services at the Kaohsiung Harbor can help mainland manufacturers and exporters save transport costs and delivery time in addition to upgrading the Kaohsiung harbor's competitiveness to be a regional transshipment hub.

"Against this background, we see no reason for mainland authorities to boycott our new opening measures," He Noted.

Meanwhile, Vice Transportation and Communications Minister Mao Chih-kuo denied a local press report saying Shanghai authorities have rejected applications for opening Shanghai-Kaohsiung cargo transshipping services.

"The report is not true because no local shipping firm has filed an application with Shanghai authorities," Mao said.

He stressed that Taiwan has decided to open an offshore transshipping center at Kaohsiung Harbor purely for economic reasons. In the past, many foreign ships sailed directly between Taiwan and mainland ports in violation of Taiwan's ban on direct cross-strait shipping links. Taiwan consistently fined these ships, while mainland authorities did not restrict such activities. "We see no reason why mainland authorities should oppose our new measure," Mao said.

Noting that the opening of Kaohsiung Harbor for direct cross-strait transshipping services will benefit both Taiwan and Mainland China, Mao said Taiwan will follow international practices in operating the cross-strait transshipping business. "So we don't think we need to make prior consultations with mainland authorities regarding the new measure," he noted, adding the Ministry of Transportation and Communications is willing to explain details of the new offshore transshipping services to mainland authorities through Taipei-based Straits Exchange Foundation (SEF).

SEF is a semi-official intermediary body founded by the ROC government to handle cross-strait exchanges in the absence of official ties.

Taiwan Sends 200 Mainland Immigrants Home
OW0805055795 Taipei CNA in English 0129 GMT 8 May 95

[By Danielle Yang]

[FBIS Transcribed Text] Keelung, May 6 (CNA)—Taiwan sent home some 200 illegal mainland Chinese immigrants via the offshore island of Matsu on Saturday [6 May], in time for them to spend the Dragon Boat Festival holiday with their families.

Police shipped the 199 illegals to Matsu with military vessels. Mainland China's Red Cross Society will take them from there, police sources said.

The 179 male and 20 female mainlanders are scheduled to arrive in Matsu early Sunday morning.

Currently, the more than 500 illegal mainland Chinese immigrants and smugglers seized by Taiwan Marine Police since Chinese Lunar New Year are being detained in processing centers in Hsinchu and Yilan in northern and eastern Taiwan, the sources said.

SEF, MAC Favor July for 2d Round of Talks
OW0605031995 Taipei CNA in English 0132 GMT 6 May 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, May 5 (CNA)—The Mainland Affairs Council (MAC) has agreed that the second round of private high-level negotiations between Taiwan and Mainland China be held as soon as possible, a high-ranking MAC official said Friday [5 May].

"The MAC has reached a consensus with the Straits Exchange Foundation (SEF) over the proposal," MAC Vice Chairman Kao Koong-lian said.

The SEF is the semi-official intermediary today authorized to handle private exchanges with Mainland China in the absence of official contacts across the Taiwan Strait. Mainland China is represented by the Association for Relations Across the Taiwan Strait (ARATS).

SEF Chairman Ku Chen-fu said earlier in the day that the SEF and MAC favor a July meeting between Ku and ARATS Chairman Wang Daohan. But Ku said the date will not be finalized until further discussions with ARATS. "The SEF will forward the proposal to ARATS soon," Ku said.

Ku and Wang, in a landmark meeting, met for the first time in Singapore in April 1993. Seven meetings have since been held between SEF and ARATS officials in Taipei and Beijing to address technical affairs.

Ku said he has not ruled out the possibility of holding preparatory talks in Beijing this month to set an agenda for the summit.

He said his talks with Wang should center around the protection of Taiwan invested-enterprises on the mainland, commercial disputes and private economic talks between the two sides, agricultural technical cooperation, and Hong Kong and Macao affairs.

Kao also delinked any connection between the high-level talks and the planned eighth round of negotiations to settle technical affairs, which has been stalled over agenda disputes.

"The cause-and-effect relationship does not exist between the high-level and technical talks, because both differentiate either by their levels or functioning," Kao said. "If an agreement can be reached in any of the technical talks, the atmosphere of the high-level talks would certainly be sweetened."

For the eighth round of talks, the SEF had wanted to focus discussions on the repatriation of hijackers and illegal mainland immigrants, as well as on fishing disputes. The proposal was turned down by ARATS, which claimed the three issues had already been resolved during the seventh meeting in Beijing.

Officials Comment on Cross-Strait Press Exchange

*OW0805111995 Taipei TZU-LI WAN-PAO in Chinese
1 May 95 p 2*

[By reporter Cheng Shao-chun]

[FBIS Translated Text] Commenting on the Executive Yuan's Government Information Office's plan for allowing mainland reporters to be stationed in Taiwan and considering allowing mainland newspaper publication in Taiwan, Chang Liang-jen, director of the Culture and Education Department of the Mainland Affairs Council [MAC], and Li Ching-ping, deputy secretary general of the Straits Exchange Foundation [SEF] today unanimously said: To exchange resident correspondents between both sides of the Taiwan Strait is not very difficult; however, due to the complexity of factors involved, the time is not yet ripe for Taiwan and the mainland to set up press offices and publish newspapers in each other's side.

Chang Liang-jen said: In exchanging resident correspondents between both sides of the Taiwan Strait, we do not think it is too difficult to do because the government has allowed mainland reporters to stay and cover news in Taiwan for a short time and it is not against current laws. As for setting up press offices and publishing newspapers, many fields including registration, taxation, regulations, and culture will be involved. It becomes not only a legal issue, but also a political one and it is too early to talk about it. He said: For example, we need to invite the MAC, the Educational Ministry, and the Council for Cultural Planning and Development to a meeting and decide together whether to use simplified Chinese characters or original forms of Chinese characters when

mainland newspapers are published in Taiwan. The factors involved in this matter are quite complicated.

SEF Deputy Secretary General Li Ching-ping said: It is about time to exchange resident correspondents between both sides of the Taiwan Strait and conditions are almost ripe. In its Cross-Strait Cultural and Educational Exchange Agreement, the MAC has made some plans in this area. Li Ching-ping said: In the past, Taiwan was worried that mainland reporters might become the fifth column of the united front work if they were allowed to come to Taiwan and Chinese Communists were afraid that their reporters would be "peacefully transformed" by Taiwan. Nevertheless, based on experiences in cross-strait press exchanges, both sides should be confident of exchanging resident correspondents. He pointed out: During the talks between the SEF and the Association for Relations Across the Taiwan Strait [ARATS] in Taipei last year, the SEF suggested both sides exchange resident correspondents. The ARATS, however, did not respond. Earlier this year, when the third Chiao-Tang talks were held in Beijing, Zhang Mingqing, press office director of the CPC Taiwan Affairs Office, instructed relevant departments to consider the issue of exchanging resident correspondents. The ARATS also said both sides may discuss this issue in future talks on routine matters.

Li Ching-ping said: Should the SEF be authorized by the MAC, it will put the issue of exchanging resident correspondents in the agenda of the second Wang-Ku talks. As for setting up press offices and publishing newspapers on each other's side, it is too early to talk about it due to the complexity of the issue.

Chang Liang-jen pointed out: If the Government Information Office is able to submit its cross-strait press exchange plan to the MAC in time, the MAC will discuss the plan in its meeting on cultural and educational affairs this month.

Taipei To Host APEC Agricultural Meeting

*OW0505123495 Taipei CNA in English 0931 GMT 5
May 95*

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, May 5 (CNA)—Taiwan will host an agricultural technology cooperation meeting under the framework of the Asia-Pacific Economic Cooperation (APEC) on June 14, a Foreign Affairs Ministry official said Friday [5 May].

During the meeting, participants from APEC's 18 member economies will discuss biochemical research and development, the marketing and processing of agricultural products, as well as animal quarantine systems, the official noted.

Taiwan hopes it can share its developmental experience and give feedback to the international community

through the holding of such a meeting, the official said. The meeting was proposed by Taiwan during last year's APEC ministerial meeting.

The APEC ministerial meetings in the next three years will be held in the Philippines, Canada, and Malaysia, the official said, adding that Taiwan will make efforts to host future APEC meetings.

APEC groups Australia, Brunei, Canada, Mainland China, Hong Kong, Indonesia, Japan, Malaysia, New Zealand, the Philippines, Singapore, South Korea, Taiwan, Thailand, Papua New Guinea, Mexico, the United States, and Chile.

Meanwhile, Taiwan will send groups to the 63rd International Animal Diseases Meeting in Paris and the 41st Asia-Africa Farm Reconstruction Meeting in Kuala Lumpur in mid-May.

Governor Reaffirms Policy on Exchange Rate

OW0805105795 Taipei CNA in English 0925 GMT 8 May 95

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, May 4 (CNA)—Central Bank of China Governor Sheu Yuan-dong Monday [8 May] reaffirmed the central bank's policy of letting market forces determine the new Taiwan dollar's [NT dollar] exchange rate against the U.S. dollar or other major foreign currencies.

"It is our established policy of not intervening in foreign exchange market operations and letting the market mechanism decide the NT dollar's exchange rate," Hsu said.

He pointed out that the recent sharp appreciation of the Japanese yen against the greenback may fuel pressure on the NT dollar to appreciate against the U.S. currency, but the phenomenon is not expected to have a strong impact on domestic consumer prices.

The yen has appreciated about 23 percent against the greenback since February, far higher than the NT dollar's 3.6 to 3.7 percent appreciation against the greenback during the same period. "The disproportionate appreciation will help make Taiwan products more competitive in the world market," Hsu noted.

As about 87 percent of Taiwan imports from Japan are key components, parts, and industrial raw materials for export processing, Hsu said. The appreciation of the Japanese yen will not have a strong impact on domestic commodity prices because local manufacturers can pass their increased production costs on to their foreign customers.

Meanwhile, Hsu said, the recent hikes in domestic wholesale and consumer prices have resulted mainly from dramatic rises in industrial and agricultural raw materials prices in the international market and the six

typhoons that lashed Taiwan last year and seriously damaged the island's vegetable and fruit harvests.

Now that international commodity prices have stabilized in recent weeks, Hsu said domestic inflationary pressure should gradually abate.

Although the annual growth rate of the domestic consumer price index (CPI) surpassed the 4 percent warning level to reach a high of 4.44 percent April, Hsu said the phenomenon might be temporary or short-lived.

"We'll keep a close watch on local price trends and will further study the true reasons behind recent domestic price fluctuation," Hsu said.

Nevertheless, Hsu said, the central bank has no plans to adjust its "measured" easy credit policy at the moment. The annual growth rate of domestic money supply has been controlled within the 10-15 percent target range for seven months and has been declining steadily.

Against this background, Hsu said, the central bank need not adjust its monetary policy. Moreover, the demand for cash in the manufacturing sector has remained high due to booming exports. "If we tighten the credit policy at the moment, local interest rates will pick up and eventually trigger a new wave of retail and wholesale price hikes in the local market," he noted.

A senior Executive Yuan official also said Monday that the cabinet has no plans to order the central bank to adjust its credit policy to help stem domestic inflationary pressure.

Noting that inflation involves many complex factors, the official said local people need not worry too much about the April's higher-than-expected CPI growth. "Psychological factors might be a major reason behind the recent domestic price hikes," he added.

Bank Chief Says Policies To Remain 'Unchanged'

OW0605032095 Taipei CNA in English 0124 GMT 6 May 95

[By C.S. Chen and Y.C. Tsai]

[FBIS Transcribed Text] Auckland, May 5 (CNA)—Sheu Yuan-dong, governor of the Taipei-based Central Bank of China, said here on Friday [5 May] that the central bank's financial policies will remain unchanged despite the relatively large increase in the consumer price index (CPI) in April.

Sheu, who is in Auckland for the 28th board of governors meeting of the Asian Development Bank, made the statement upon learning that the CPI rose at an annual rate of 4.44 percent last month.

Although April's CPI growth rate went up 0.57 percentage points over March, the yearly increase should stay below 4 percent if Taiwan can escape the ravages of typhoons during the second half of this year, he pointed out.

Noting that Taiwan's export boom continued in April and that demand for capital remained strong amid the crescendo of price increases, Sheu ruled out the possibility of any credit-tightening measures, which he said would only serve to push up both interest rates and the value of the new Taiwan dollar, thereby lowering the competitiveness of Taiwan-made products on the international market.

Higher interest rates would drive up production costs at home, while a strengthened currency would make Taiwan's exports more expensive abroad, he explained.

Reports from Taipei also said that the wholesale price index grew 8.19 percent and the import price index increased 13.08 percent in April.

Ministry Notes Jan-Apr Export, Import Figures
OW0605104195 Taipei CNA in English 0903 GMT 6 May 95

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, May 6 (CNA)—Taiwan set another single-month trade record in April, with both exports and imports surging to new highs, the Ministry of Finance reported Saturday.

Exports for the month reached US\$9.593 billion, up 28.8 percent from the year-earlier level, while imports also posted robust 5.4 percent growth to hit US\$9.587 billion, according to ministry tallies.

Blessed by a worldwide economic recovery and increasing domestic demand, Taiwan's foreign trade has continued to grow at double-digit rates since the third quarter of last year.

Due to sharp increases in imports of capital goods and industrial raw materials, April's foreign trade surplus totaled only US\$6 million.

Chen Chang-hsiung, director of the ministry's statistics department, said capital goods imports increased 42.6 percent in April as compared with the year-earlier level. It was the highest growth rate since March 1993, indicating domestic investment activities have continued picking up steam and Taiwan's overall economy will continue steady growth, Chen noted.

On the export front, Chen said, Taiwan's efforts to upgrade product quality have paid off, as its manufactured goods sales to Hong Kong, Japan, Europe and the United States all climbed substantially in April, thus pushing its monthly export volume to a new high.

Hong Kong, a major conduit for indirect cross-Taiwan Strait trade, continued to be Taiwan's largest export outlet in April, taking US\$2.46 billion worth of Taiwan goods, or 25.6 percent of its total exports for the month.

It was the second straight month that the British crown colony has surpassed the US as Taiwan's top export

market. The corresponding trade figures with the US for April were US\$2.18 billion and 22.7 percent.

Hong Kong was also Taiwan's top foreign trade surplus source in April, at US\$2.5 billion, according to ministry tallies.

More than 60 percent of Taiwan exports to Hong Kong during the month actually went to Mainland China, Chen said, adding that increased [words indistinct] to the British colony in April demonstrated that cross-strait trade has remained bullish.

Taiwan's two-way trade with Hong Kong, Japan, Europe and the five ASEAN countries—Indonesia, Malaysia, Singapore, the Philippines and Thailand—all soared more than 26 percent in April as compared with the year-earlier levels. Taiwan exports to the US however, picked up only 14.6 percent.

As imports from Japan and Europe outgrew exports to the two regions, Taiwan's trade deficits with them widened further in April.

Accumulated Taiwan exports for the first four months of this year amounted to US\$34.57 billion, up 24.7 percent from the year-earlier level, while imports shot up [figure indistinct] percent to US\$33.04 billion. The resulting trade surplus of US\$1.53 billion was an increase of 103.5 percent from a year ago.

Meanwhile, Taiwan's trade deficit with Japan rose 15 percent to US\$5.7 billion in the January-April period. The sharp appreciation of the Japanese yen has increased the financial burden for Taiwan manufacturers because they rely heavily on Japan for supplies of key components, parts and some specialty industrial materials, Chen noted.

Average Monthly Salary Figures for 1994 Issued
OW0805052195 Taipei CNA in English 0114 GMT 8 May 95

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, May 6 (CNA)—The average salary in Taiwan was NT [new Taiwan] \$31,549 (US\$1,242) per month last year, according to statistics released Saturday [6 May] by the Directorate General of Budget, Accounting, and Statistics.

Executives and supervisors earned the most, an average of NT\$51,862 (US\$2,042) per month, followed by engineers' NT\$45,855 (US\$1,805) per month, the statistics show.

The average monthly salary of executives and supervisors was 1.6 times the average overall wage.

The average monthly salary of service-sector employees increased the most last year—11.9 percent—of any employee group, followed by the 10.4 percent rise in technicians' salaries. Executives and supervisors saw their wages increase an average of 7 percent.

Meanwhile, the number of employees in the industrial and service sectors totaled some 5.496 million last year, an increase of 720,000 from 1987. The number of service-sector employees alone increased 3.6 times during the eight-year period, according to the statistics.

First Quarter Records Heavy Industrial Output

OW0605103895 Taipei CNA in English 0847 GMT 6 May 95

[By Benjamin Yeh]

[FBIS Transcribed Text] May 6 (CNA)—Heavy industry has emerged as the engine of the economy during the first quarter of this year, Taiwan's chief Economic Planning Agency said Saturday.

Industrial production grew 8.3 percent for the first quarter, as compared with the 5.8 percent increase recorded during the same period of last year, according to statistics compiled by the Council for Economic Planning and Development (CEPD).

The CEPD attributed the dynamic industrial growth to brisk exports of information industry goods, electronics and metal products.

What's more, the heavy industry sector outperformed the light industry sector during the January-March period, with the former surging ahead at an annual rate of 12.4 percent and the latter gaining a marginal 1.1 percent.

As a result, the output of heavy industries rose to account for 64.9 percent of the manufacturing sector's total production value from January through March, up from 63.6 percent a year ago.

In terms of exports, first-quarter industrial output commanded 96.2 percent of Taiwan's sales abroad, marking only a slight increase of 0.1 percentage points over the same period of 1994.

The CEPD discovered a significant change in the export structure, however. Heavy industry products accounted for 56.5 percent of total export value, up 2.3 percentage points on a year-earlier level.

It also found that on the 22 lines falling under the manufacturing sector, capital- and technology-intensive businesses boomed while labor-intensive businesses, except for rubber, textile, and foodstuff firms, shrank.

The service sector, meanwhile, grew a relatively tame 6.83 percent during the first quarter. It marked the first time the industrial sector has grown faster than the service sector in nine years.

State Steel Firm Expands 6 Months Early

OW0605092695 Taipei CNA in English 0841 GMT 6 May 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Kaohsiung, May 6 (CNA)—Construction of the China Steel Corp.'s fourth blast furnace, part of the firm's fourth-stage expansion plan, is expected to be completed by October 1996, CSC Chairman Wang Chung-yu said Saturday [6 May].

"That means the expansion plan ought to be finished six to eight months ahead of schedule," Wang said. The cost of the plan has been estimated at NT\$ [new Taiwan dollars] 50 billion (US\$1.98 billion).

The plan will boost the CSC's annual raw steel production capacity from the present 5.65 million metric tons a year to 8 million metric tons, and its world raw steel ranking will also be enhanced five spots to no. 12.

Wang also drew a rosy picture for the CSC, which had long been the anchor of Taiwan's state-run enterprises before it completed its privatization process last month.

The company's market turnover has been projected to more than double by the turn of the century to NT\$150 billion (US\$5.93 billion), in part because of its move into other industries, Wang said.

In addition, the CSC is seeking a suitable venue for an additional production base. Besides the planned offshore industrial park in western Taiwan, Thailand, Indonesia and Malaysia are also being considered as candidates for the next plant, Wang noted.

5-Year Upgrade to Software Industry Launched

OW0605103495 Taipei CNA in English 0836 GMT 6 May 95

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, May 6 (CNA)—The Industrial Development Bureau (IDB) will launch a new five-year program in July to help upgrade Taiwan's computer software industry, an IDB official said Saturday [6 May].

"The program aims to boost Taiwan's annual software output to NT\$ [new Taiwan dollars] 170 billion (US\$6.72 billion) by the year 2000 and make Taiwan one of the world's top 10 software suppliers," said Hsu Lai-fa, an IDB division chief.

Under the program, the IDB will help local software companies upgrade design and management technologies and develop high-end products.

"We'll assist 80 software makers in carrying out special product-development projects and provide general counseling services for more than 300 other companies to upgrade their productivity over the next five years," Hsu said.

The IDB will also help some 20 software firms forge cooperative ties with their foreign counterparts in order to further expand their world market share, Hsu said.

Moreover, Hsu said, the IDB will assist local companies in developing five satellite factory centers, with a view toward upgrading labor productivity and operational efficiency.

He said that in the initial stage, the IDB's software service corps will focus on market research and forecasting to help local companies keep abreast of the latest world market trends so they can chart pertinent business strategies.

Hsu said the per-capita output of software companies that receive IDB assistance is expected to increase 1.5 times over the next five years.

Taiwan's current annual software production is [words indistinct] NT\$70 billion (US\$2.77 billion), making it the world's 13th-biggest software producing country.

By the year 2000, Hsu said, annual software output will reach an estimated NT\$170 billion, with NT\$127.5 billion coming through domestic sales and NT\$42.5 billion through exports.

The IDB launched its first five-year program in 1990 to boost the local software industry. During the past five years, more than 500 local companies have received technical assistance from the IDB. The program has also helped increase domestic demand for computer hardware and software by about NT\$1.63 billion (US\$64.43 million) during the five-year period, Hsu noted.

Biotechnology To Play 'Major Role' in Development

OW0605103595 Taipei CNA in English 0944 GMT 6 May 95

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, May 6 (CNA)—Agricultural biotechnology development will play a major role in Taiwan's industrial evolution over the next 10 years, the National Science Council (NSC) said Saturday [6 May].

An NSC official in charge of planning an agro-tech development project said floriculture, animal vaccine programs, biochemistry, aquaculture, and fishery diagnostic & vaccinal pharmaceuticals have been blueprinted as five major areas to be developed in Taiwan's second science-based industrial park.

Output from the five areas has been projected at NT\$100 billion (US\$4 billion) over 10 years, Chen Ching-sen, director of NSC's life sciences division, said.

The agro-tech development project will not only lower Taiwan's dependence on foreign imports, but will also create exports that will enjoy great demand from Mainland China and Southeast Asian countries, he added.

Chen said the proposed second science-based industrial park, which will border Tainan and Kaohsiung counties,

will house a five-hectare agricultural biotechnology development zone, exclusively for the agro-tech project.

The state-run Taiwan Sugar Corp. will support the floriculture program by lending unused land near the science park and offering its own expertise in the field, Chen mentioned.

Once the floriculture program is implemented and becomes fully operational, southern Taiwan will become one of the key suppliers of cut flowers, particularly tropical flowers, in Asia.

As to the animal-vaccine program, Chen said, the future is so bright that Taiwan cannot afford to ignore it. He said 80 percent of vaccines currently being used in Taiwan's chicken-farming industry and pig-raising industry, which has surpassed rice-growing as the country's largest money earner in the agriculture sector, are imported.

In addition to supplying domestic farmers with animal vaccines from the program, Taiwan hopes to export the vaccines to Mainland China, where animal farming is developing rapidly.

With support from the Asian Vegetable Research Center, National Cheng Kung University in Tainan, National Pingtung Polytechnic Institute, and other research institutions in southern Taiwan, the agro-tech development zone promises to evolve into a new hub of agricultural technology in Asia, Chen said.

Council Predicts Semiconductor Industry Boom

OW0505122595 Taipei CNA in English 0938 GMT 5 May 95

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, May 5 (CNA)—Output from Taiwan's semiconductor industry is expected to top NT\$720 [new Taiwan dollars] billion (U.S.\$28.8 billion) by the year 2005, the National Science Council (NSC) projected Friday [5 May].

The Hsinchu science-based industrial park in northern Taiwan and the proposed second high-tech industrial park in southern Taiwan are projected to be the two main hubs of the industry, each responsible for half Taiwan's output of integrated circuits (ICs), NSC officials said.

According to tallies from the Hsinchu science-based industrial park, IC production there reached NT\$84 billion (U.S.\$3.36 billion) in 1994, accounting for half of the park's entire annual turnover last year.

The park's IC production by 2005 should top NT\$360 billion (U.S.\$14.4 billion), commanding 10 percent of the world market, park administrator Hsueh Hsiang-chuan said.

Taiwan imported U.S.\$2.7 billion worth of IC products in 1990, when the country's imports of crude oil totaled

U.S.\$3 billion, Hsueh commented. By 1994, while the value of the country's oil imports shrank to U.S.\$2.7 billion, the import of IC products shot up to U.S.\$7.2 billion, making Taiwan the world's third-largest IC consuming country after only the United States and Japan, Hsueh quoted government statistics as saying.

After 10 years of strenuous efforts the Hsinchu park now boasts 10 eight-inch silicon wafer plants, with a total investment of NT\$250 billion (U.S.\$10 billion), Hsueh added. Products coming from the plants include memory ICs, dynamic random access memory (DRAM) chips, and static random access memory (SRAM) chips.

The proposed second high-tech industrial park in southern Taiwan, devised to house expanded operations of the Hsinchu park, which is reaching capacity due to its limited land area, will be another IC hub, he said.

Hsinchu park, also known as Taiwan's silicon valley, employs about 15,000 people.

Taiwan's IC industry churned out U.S.\$3.1 billion worth of products in 1994, marking a hefty growth of 64 percent over the preceding year. That translated into a 2.8 percent share of the global IC market.

Firms To Bid on Military Aircraft Maintenance

OW0505115295 Taipei CNA in English 0847 GMT 5 May 95

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, May 5 (CNA)—Private companies will be allowed to participate in the military aircraft maintenance business, the Committee for Aviation & Space Industry Development (CASID) reported Friday [5 May], saying the decision is the first step toward making Taiwan into an Asia-Pacific aircraft maintenance hub.

A CASID spokesman said the majority of the work will come under an offset provision the ROC [Republic of China] Air Force inked with the U.S.-based Lockheed-Martin Corp., allowing private firms to bid on maintaining 500 separate parts on the F-16 fighter jets the Air Force has purchased from Lockheed-Martin. CASID is a task force created by the Economic Affairs Ministry.

After a two-year survey by Lockheed-Martin, Taiwan's electronics, engineering, machinery, and materials companies were adjudged highly capable of taking up the F-16 maintenance work, although most are inexperienced in the aircraft industry, the spokesman said.

The F-16 maintenance jobs are expected to create a market of U.S.\$6 billion in the next 20 years.

Representatives from 46 private firms were briefed by CASID officials Thursday on the F-16 maintenance jobs, which are preliminarily projected to be executed in 20 shops around the island, including pneumatic-hydraulic

shops, engine shops, armament shops, gas turbine shops, navigation shops, and automatic-test-equipment (ATE) shops, the spokesman said.

The local firms will be briefed with further details of the maintenance jobs once Air Force authorities and CASID have worked out the program and acquired technical manuals from Lockheed-Martin, the spokesman added.

In addition to the F-16s, he noted, private firms will also be allowed to bid on maintaining F-5E fighters, Fokker 50 passenger liners, N-130 transportation planes, UH1F helicopters, Beech 1900 charter planes, and Mirage 2000.

The ROC Air Force has the second-biggest air fleet in Asia after Mainland China, making it one of the major markets for aircraft maintenance in the region.

The opening of the military aircraft maintenance industry to private dealers will not only beef up aviation industry resources in Taiwan, but will also help make Taiwan an aircraft maintenance hub in the Pacific rim as well, the spokesman said.

New Measures Considered in Anti-Drug Campaign

OW0505113195 Taipei CNA in English 0839 GMT 5 May 95

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, May 5 (CNA)—Several measures, including the use of undercover police, are now being considered to boost the effectiveness of the crackdown on drugs, the police official responsible for mapping out the Justice Ministry's new anti-drug strategy said Friday [5 May].

Chou Wen-ke, director of the investigation division of the Criminal Investigation Bureau, said that in comparison with the former strategy of islandwide containment, the new strategy aims to make preemptive strikes at overseas drug sources.

Chou said that under the new strategy, the government will station drug liaison officials overseas and use undercover police, an informant protection system and a drug information network.

Chou noted that a large portion of the people currently being arrested in drug cases tend to play small roles in larger drug networks, and that the difficulty lies in catching the drug kingpins. He said that based on the experience of other countries, using undercover police would be an effective way to go deep into the core of a drug network and collect criminal evidence on who heads the cartels.

He said an informant protection law is also necessary because those with knowledge of drug cases often fear harm if they come forward with evidence, even though large monetary rewards are offered. To address the

problem, he said, the government will help change the names on the informants and resettle them if necessary.

As most of the drugs found in Taiwan come from Thailand, Hong Kong and Mainland China the government should also refer to the practice of other countries and station liaison officers in Hong Kong and Thailand to help collect first-hand information about drug trafficking.

He suggested that drug issues be discussed at regular meetings between the Straits Exchange Foundation

(SEF) and its mainland counterpart, the Association for Relations Across the Taiwan Strait (ARATS).

He also urged the setting up of an islandwide drug-information network, as well as the collection of information from local anti-drug task forces for the benefit of the international community.

Chou said that the new measures will be discussed at the national anti-drug conference May 30. If approved, he said, they will constitute Taiwan's first step toward internationalizing its anti-drug efforts.

Hong Kong

Media Cover Lu Ping, Court of Final Appeal

'Supreme Ruler' Termed 'Absurd'

HK0605031195 Beijing ZHONGGUO XINWEN SHE
in English 1237 GMT 5 May 95

[FBIS Transcribed Text] Beijing, May 5 (CNS)—When meeting the Beijing visiting mission from Hong Kong Chiu Chow Chamber of Commerce, Lu Ping, Director of Hong Kong and Macao Office under the State Council, said that some people intentionally distort the discussion of the Sino-British Joint Liaison Group concerning Hong Kong Court of Final Appeal. It is very absurd to say that there will be a "supreme ruler" above Hong Kong Court of Final Appeal.

He said that Hong Kong Special Administrative Region will enjoy independent judicial rights and the right of final appeal. This is clearly stipulated in the Basic Law. Some people say that Hong Kong Court of Final Appeal will only try economic cases. This is evidently a rumor with ulterior motives.

For the transition of civil servants, Lu Ping said that Hong Kong civil servants are welcome to make contact with the Chinese side. The Chinese side can meet the high officials of Hong Kong, but this cannot have any attached condition. The Chinese side's willingness to meet them is just because China hopes to set these officials' minds at rest for the steady transition of Hong Kong. This is by no means a political inspection as the Chinese side has never considered any political inspection for Hong Kong civil servants.

He said that the Chinese side hopes that before 1997, the Hong Kong government can administer effectively. China does not want to see a "lame duck" government as this is not advantageous for the steady transition of Hong Kong.

Views Meetings, Court

HK0605064895 Hong Kong SOUTH CHINA
MORNING POST in English 6 May 95 p 1

[By Chris Yeung]

[FBIS Transcribed Text] China's top official in charge of Hong Kong affairs, Lu Ping, says he is willing to hold an unprecedented meeting with Chief Secretary Anson Chan Fang On-sang when he visits the territory on May 15. He said he would be glad to meet Mrs Chan and the other policy secretaries if "time was available" during his week-long trip.

But Mr Lu, the Hong Kong and Macao Affairs Office Director, will again snub Governor Chris Patten. Speaking after meeting Mr Lu, Legislative Councillor Chim Pui-chung said: "He was very clear and firm that the present circumstances did not allow a meeting between him and the Governor. But if time is available he

is absolutely willing to meet the Chief Secretary on an unconditional basis. He will also meet other officials in Beijing or other places on the same basis," Mr Chim said of Mr Lu.

According to the China News Service, Mr Lu said Beijing welcomed contacts with civil servants because it wanted a stable civil service. Such meetings were definitely not "so-called political vetting".

Mr Lu dismissed as "ridiculous" reports that Beijing wanted to put in place a higher authority than the Court of Final Appeal. He accused "someone of trying to create confusion" by saying that the court would only be empowered to handle economic-related cases. The Basic Law, he said, already provided the power of final adjudication and an independent judiciary to the Special Administrative Region.

A source said the British side remained unclear about what China meant by the need for a "post-verdict judicial remedy". The court would have its own mechanism to deal with cases when new evidence emerged after a verdict was given, something which is currently covered by a pardon from the Governor, he said. One principle was that a person could not undergo a second trial after the court had passed a not-guilty verdict, the source said. "There's no question that if an error is found in the trial he has to face a retrial because the court is final," he said.

Army Generals Inspect Military Sites

HK0705062595 Hong Kong SOUTH CHINA SUNDAY
MORNING POST in English 7 May 95 p 2

[By Quinton Chan]

[FBIS Transcribed Text] Lu Ping last week wrapped up a secret 15-day trip to Hong Kong, leading a team of People's Liberation Army (PLA) generals inspecting the military sites they will inherit after the handover. But the visiting mainland official—whose trip both sides tried to keep under wraps—was not the chief of the Hong Kong and Macao Affairs Office, who is due in the territory in nine days.

Rather, he was a namesake among his subordinates, the office's deputy director of political affairs, whose name in English is identical to that of his boss. In Chinese, one of the characters is different. The more senior Lu Ping is expected in Hong Kong on Monday, May 15, along with 20 aides and mainland members of the Preliminary Working Committee. Among them is former Chinese Joint Liaison Group (JLG) team leader Guo Fengmin, who will be paying his first visit to Hong Kong since retiring last autumn.

The Security Branch tried to keep confidential last week's visit, the first full-scale inspection tour by the PLA since last summer's defence lands accord. No official announcement was made. But it is understood the PLA generals were taken on a helicopter tour of 11 of

the 14 British military sites which they will inherit in 1997, before returning home last Tuesday. Among the sites visited were the new naval base on Stonecutters Island, the Prince of Wales building in Admiralty, Stanley Fort, the coastal station at Tai O, the Sek Kong military air base, plus the Gun Club Hill barracks in Austin Road, and Casino and Gallipoli Lines near Fan-ling.

The PLA generals were reportedly interested in choosing which facilities on these sites should be left behind by the British, and the Hong Kong Government believes they were satisfied with what they saw. However, they were concerned landings at Chek Lap Kok airport might interfere with military flights out of Sek Kong.

The Security Branch introduced the PLA generals to officials in the police, marine and civil aviation departments, in an effort to show how the British Garrison works with the Hong Kong Government. They also met Secretary for Security Peter Lai Hing-ling, JLG British team leader Hugh Davis, and Provisional Airport Authority Chief Executive Henry Townsend.

A government spokesman declined to confirm the visit, saying only: "We are in touch with Chinese defence experts in the JLG on a continuing basis on questions connected with the transfer of defence responsibilities."

Authorities Investigate Firms for Corruption

HK0705062295 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 7 May 95 p 1

[By Kerry Wong]

[FBIS Transcribed Text] Chinese authorities are to investigate the business dealings of mainland corporations based in Hong Kong as part of a nationwide anti-corruption campaign, it has been revealed. Sources say the investigations will focus on transactions involving Chinese companies over the past three years. Since provincial and regional governments have offices in Hong Kong, the purge will go beyond listed companies, they said.

Huan Guocang, senior economist with J. P. Morgan, said: "I have heard of an investigation carried out by the central government, but the actual details are not clear." However, speculation over the probe has already sufficiently frightened several local Chinese companies for them to cash in their investments.

Hong Kong brokerages had been ordered to unload certain Red Chip shares held by Chinese corporations, the sources said. Red Chip shares are those from companies with provincial and regional government back-up or connections with mainland government departments. There are 28 mainland related companies listed on the Hong Kong Stock Exchange. "If the central government wants to launch a serious crackdown, (its) targets will be

big companies, not small firms," said Edward Chan Hung-kai, China research head of Standard Chartered Securities.

Analysts suggested that the mainland's recent anti-corruption drive would be good for China's social and economic stability in the long run. "There might be some shake-up in government departments, but it will establish a healthier image than the Government currently has," said a local analyst. An in-depth crackdown on corruption would be a positive move for the country and the economy as a whole, said Mr Huan. "It will enhance the prestige of the Government," he added.

Many mainland Chinese workers and managers support the crackdown. "Such a campaign will boost the confidence of the people in China," said one senior official at a Chinese corporation. Beijing party secretary Chen Xitong is the most senior official affected by the anti-corruption drive so far. Chen resigned late last month after the reported suicide of Beijing vice-mayor Wang Baosen, who was under investigation for corruption.

The central government has appointed Wei Jianxin, secretary of Central Commission for Discipline Inspection, to replace Chen. Mr Wei is said to be a protégé of Qiao Shi, chairman of the National People's Congress, and he has earned a good reputation for cracking tough cases since he was put in charge of disciplinary matters in 1984.

On Thursday, Deng Zhifang, second son of China's paramount leader Deng Xiaoping, denied reports that he had been questioned over alleged economic crimes. Mr Deng, executive director of Shougang Concord Grand, is a close associate of Zhou Beifang, the disgraced former chairman of Shougang (Hong Kong) Holdings, who has been held for three months following allegations of serious economic crimes.

Mr Chan expected the purge to follow closely the pattern of anti-graft campaigns carried out in the past by the Hong Kong authorities, targeting senior officials first before warning off more junior staff involved in scams. "It will be the same play, but on a different stage," he said. Analysts said politically-backed Red Chip companies, particularly those connected to "princelings"—the children of Chinese leaders—continued to attract investors' attention.

Chief Faces Challenge Over 'Pro-Beijing' Policy

HK0705062995 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 7 May 95 p 2

[By Quinton Chan]

[FBIS Transcribed Text] Leading pro-democracy politician Frederick Fung Kin-kee is to face an unprecedented electoral challenge from disillusioned supporters who fear he has moved too close to Beijing.

Urban Councillor Daniel Wong Kwok-tung will challenge Mr Fung for his position as chairman of the Association of Democracy and People's Livelihood (ADPL) in two weeks. Mr Wong is likely to be backed by 10 rebel members, including failed District Board candidates Leung Kai-in and Wong Kwok-ngon. They accused Mr Fung, a Hong Kong affairs adviser to Beijing, of losing touch with the party's grassroots as he curries favour with China. "Mr Fung left the grassroots a long time ago," Mr Wong Kwok-ngon said. "Those now working for the grassroots are District Board members. But all the political credits they get are donated to Mr Fung to please Beijing."

Mr Leung added: "We are now almost run as a pro-Beijing party. Even if we fail to kick him out, it would be nice to embarrass him, to make him know members are unhappy." Mr Fung was out of Hong Kong last week and could not be contacted. But ADPL heavyweight Wong Chung-ki said such criticisms was unfair. "The China policy of ADPL is not just decided by Mr Fung himself, it was approved by the whole party," he said. The contest is unprecedented as the ADPL has long been dubbed a one-man band.

Mr Fung is the 130-member party's sole legislator, and has never been challenged for the chairmanship since he was first elected in 1988. The contest will take place on May 27, when three vice-chairmen and 12 members of the party's standing committee will also be elected. Mr Daniel Wong said there was nothing wrong in having close ties with Beijing, but the ADPL must not sacrifice its principles. "Our stance on the June 4 incident, Court of Final Appeal, and the provisional legislature should not change," he said. "Mr Fung's leadership is very bad. It may look like the ADPL is growing bigger when more members were elected in the recent district board and municipal council polls. But no new member has joined the party in recent years."

Mr Wong Kwok-ngon said students often told him they were not interested in joining because "we are too pro-Beijing". The rebels are also unhappy with Mr Fung's policy of fighting the Democratic Party for at least four seats in September's Legislative Council elections, saying this would boost pro-Beijing candidates' chances of success.

Relations between the two parties have worsened in recent months, ever since the ADPL refused to support Democratic Party legislator Fred Li Wah-ming for the vice-chairmanship of the Urban Council, leaving the post to pro-Beijing candidate Ip Kwok-chung. While the Democratic Party has failed to make headway in building bridges with Beijing, the ADPL now has strong ties. Three of its members are Hong Kong affairs advisers, one is a member of the Chinese People's Political Consultative Conference, and six are district affairs advisers.

Martin Lee Criticizes Bid To 'Cut' Court Power

HK0705065095 Hong Kong SUNDAY HONGKONG STANDARD in English 7 May 95 p 2

[By Laura Chan]

[FBIS Transcribed Text] Democratic Party leader Martin Lee has criticised the Chinese government for shrinking the jurisdictional power of future courts. Mr Lee said Article 19 of the Basic Law contradicts itself and creates confusion. Mr Lee, who was one of the original drafters of the Basic Law but later resigned due to Chinese opposition, quoted from the second draft of the Basic Law, completed in 1989.

He said the addition of the phrase "such as defence and foreign affairs" was added after the words "acts of state" and "facts of state" to Article 19 of the final constitution and damaged the spirit of the Common Law concept. "This is a joke. They will increase the area of the acts of state and decrease the jurisdictional power in the future." The courts of the Special Administrative Region (SAR) will have no jurisdiction over cases relating to the acts of state such as defence and foreign affairs, according to the Basic Law.

Mr Lee said some defendants might demand their cases belonged under "defence" and "foreign affairs" under the acts of state and the future courts would then be unable to handle them. "At present, some of the cases are not handled by the courts but the courts can deal with it in future after the insertion of a clause," Mr Lee said. According to the Basic Law SAR courts should obtain a certificate from the chief executive on questions of fact concerning acts of state such as defence and foreign affairs whenever any such questions arise in a case. "Therefore, in future, defendants may seek certificates from the chief executive to put their case into the category of 'facts of state'. The chief executive and the Beijing government will be troubled by many requests," Mr Lee said.

He urged the Chinese government to amend the Basic Law to delete the third paragraph of Article 19. Mr Lee had suggested not including such a paragraph in the Basic Law because the Common Law would change and adjust with society. But he said mainland drafters of the Basic Law insisted.

Mr Lee said the municipal courts should have the right to decide whether the cases were acts of state and facts of state. He also quoted Article 138 of the Basic Law which meant final judgement did not lie with the SAR's future Court of Final Appeal (CFA). He said the CFA might come across acts of state or cases which are not appealable and the CFA would need to seek interpretation from the Standing Committee of the National People's Congress. Mr Lee said the final judgement was not in Hong Kong but in Beijing.

He quoted the laws of England to explain the importance of acts of state and facts of state. He said an act of state

was an exercise of sovereign power and could not be challenged or interfered with by local courts. The local courts can decide whether it is an act of state. Mr Lee said facts of state were evidence of certain incidents and the courts would take notice of such facts of state but the final determination rests with the executive.

One of the Basic Law drafters, Maria Tam, said discussion on acts of state and facts of state were held several times during the drafting period. "In the mainland legal system, they do not have acts of state and facts of state, therefore they added defence and foreign affairs."

Editorial Praises Threatened Sanctions on Japan

HK0805023295 Hong Kong SOUTH CHINA
MORNING POST in English 8 May 95 p 26

[Editorial: "Time for Action"]

[FBIS Transcribed Text] Trade wars are anathema to politicians and businessmen alike. As with military conflicts, they tend to hurt both sides and often produce solutions inferior to those that might have been achieved by peaceful means. Yet there are occasions when threats must be followed by action, not by more threats: a time when it is better to fight than to retreat.

Such is the situation in trade negotiations between the United States and Japan. A decade of sabre-rattling by Washington and prevarication by Tokyo has produced only limited results. Now, according to The New York Times, US Trade Representative Mickey Kantor is preparing to roll out the big guns of 100 per cent tariffs on motor-industry imports.

One problem the Japanese Government faces in persuading auto-makers to use more foreign parts a key US demand—is that Japanese industry works in a cartel-like manner. Japanese companies prefer to buy from Japanese suppliers; partly for convenience, partly because they believe Japanese products are best and partly

because of the need for co-operation in an economy built on harmony at home, aggression overseas.

Japanese trade practices are not all aimed primarily at unfairly excluding foreign competition. Some, such as those surrounding retailing and food, serve different purposes. Regulations on retailing are intended to prevent small neighbourhood stores being swept away by supermarket chains, while food-import regulations keep Japan self-sufficient in rice and help to preserve a rural way of life treasured by many Japanese. However, such regulations have, over the years, hindered imports and harmed Japanese consumers while serving to fill the political coffers.

Free trade is not merely a fashionable concept. It should benefit consumers in Japan as well as in the US. But Trade Minister Ryutaro Hashimoto is an old-style politician: a graduate of the salons and smoke-filled rooms where money is raised and deals are cut. He is not a man to give ground without reason and the US must demonstrate it is serious about sanctions.

The current strength of the yen highlights the financial folly of Japanese auto-makers buying Japanese-made parts but such a purchasing pattern did not make sense before the dollar's decline. Hard work and extraordinary ingenuity have enabled the Japanese to break into markets around the globe. Such talents should now be turned to opening the domestic market.

Tokyo may be counting on an appeal to the World Trade Organisation to avert sanctions but the time for prevarication is over, even though the US call for "numerical targets" on imports is a blunt instrument. Sanctions would hurt US consumers and Japanese producers but in the current "America-first" political climate in the US, Tokyo would be unwise to test Washington's resolve. Trade wars are unpopular but appeasement can be more dangerous. Japan has numerous potential opponents with which it runs large surpluses. Japan has been conspicuous in its failure to adapt to the requirements of free trade. Tokyo should know the nail that stands out is hammered down.

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